



Turun yliopisto  
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TOWARDS A CONTEXTUAL UNDERSTANDING OF B2B  
SALESPeOPLE'S SELLING COMPETENCIES  
- AN EXPLORATORY STUDY AMONG PURCHASING  
DECISION-MAKERS OF INTERNATIONALLY-ORIENTED TECHNOLOGY FIRMS

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Pentti Korpela



Turun kauppakorkeakoulu  
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## ABSTRACT

Towards a contextual understanding of B2B salespeople's selling competencies – an exploratory study among purchasing decision-makers of internationally-oriented technology firms

The characteristics of modern selling can be classified as follows: customer retention and loyalty targets, database and knowledge management, customer relationship management, marketing activities, problem solving and system selling, and satisfying needs and creating value. For salespeople to be successful in this environment, they need a wide range of competencies. Salespeople's selling skills are well documented in seller side literature through quantitative methods, but the knowledge, skills and competencies from the buyer's perspective are under-researched. The existing research on selling competencies should be broadened and updated through a qualitative research perspective due to the dynamic nature and the contextual dependence of selling competencies.

The purpose of the study is to increase understanding of the professional salesperson's selling competencies from the industrial purchasing decision-makers' viewpoint within the relationship selling context. In this study, competencies are defined as sales-related knowledge and skills. The scope of the study includes goods, materials and services managed by a company's purchasing function and used by an organization on a daily basis.

The abductive approach and 'systematic combining' have been applied as a research strategy. In this research, data were generated through semi-structured, person-to-person interviews and open-ended questions. The study was conducted among purchasing decision-makers in the technology industry in Finland. The branches consisted of the electronics and electro-technical industries and the mechanical engineering and metals industries. A total of 30 companies and one purchasing decision-maker from each company were purposively chosen for the sampling. The sample covers different company sizes based on their revenues, their differing structures – varying from public to family companies – that represent domestic and international ownerships. Before analyzing the data, they were organized by the purchasing orientations of the buyers: the buying, procurement or supply management orientation. Thematic analysis was chosen as the analysis method. After analyzing the data, the results were contrasted with the theory. There was a continuous interaction between the empirical data and the theory.

Based on the findings, a total of 19 major knowledge and skills were identified from the buyers' perspective. The specific knowledge and skills

from the viewpoint of customers' prevalent purchasing orientations were divided into two categories, generic and contextual. The generic knowledge and skills apply to all purchasing orientations, and the contextual knowledge and skills depend on customers' prevalent purchasing orientations. Generic knowledge and skills relate to price setting, negotiation, communication and interaction skills, while contextual ones relate to knowledge brokering, ability to present solutions and relationship skills. Buying-oriented buyers value salespeople who are 'action oriented experts, however at a bit of an arm's length', procurement buyers value salespeople who are 'experts deeply dedicated to the customer and fostering the relationship' and supply management buyers value salespeople who are 'corporate-oriented experts'. In addition, the buyer's perceptions on knowledge and selling skills differ from the seller's ones. The buyer side emphasizes managing the subject matter, consisting of the expertise, understanding the customers' business and needs, creating a customized solution and creating value, reliability and an ability to build long-term relationships, while the seller side emphasizes communication, interaction and salesmanship skills.

The study integrates the selling skills of the current three-component model— technical knowledge, salesmanship skills, interpersonal skills— and relationship skills and purchasing orientations, into a selling competency model. The findings deepen and update the content of these knowledges and skills in the B2B setting and create new insights into them from the buyer's perspective, and thus the study increases contextual understanding of selling competencies. It generates new knowledge of the salesperson's competencies for the relationship selling and personal selling and sales management literature. It also adds knowledge of the buying orientations to the buying behavior literature. The findings challenge sales management to perceive salespeople's selling skills both from a contingency and competence perspective. The study has several managerial implications: it increases understanding of what the critical selling knowledge and skills from the buyer's point of view are, understanding of how salespeople effectively implement the relationship marketing concept, sales management's knowledge of how to manage the sales process more effectively and efficiently, and the knowledge of how sales management should develop a salesperson's selling competencies when managing and developing the sales force.

Keywords: selling competencies, knowledge, selling skills, relationship skills, purchasing orientations, B2B selling, abductive approach, technology firms

# TIIVISTELMÄ

Kohti B2B-myyjän myyntikompetenssien tilannekohtaista ymmärrystä – eksploratiivinen tutkimus kansainvälisesti suuntautuneiden teknologia-yritysten ostopäätöksentekijöiden keskuudessa

Nykyaikaisen myynnin tunnusmerkkejä ovat: asiakaspysyvyys- ja uskollisuustavoitteet, tietokannan hallinta ja tiedonhallinta, ongelmanratkaisu- ja järjestelmämyynti, asiakastarpeiden tyydyttäminen ja arvon luominen. Menestyäkseen tässä ympäristössä myyjät tarvitsevat monipuolisia kompetensseja. Myyjien myyntitaitoja on hyvin dokumentoitu myyjien keskuudessa kvantitatiivisilla menetelmillä tehdyissä tutkimuksissa. Sitä vastoin myyjän tietoja, myyntitaitoja ja -kompetensseja on niukasti tutkittu ostajan näkökulmasta. Myyntikompetenssien kontekstiriippuvaisuuden ja dynaamisen luonteen takia niiden ymmärrystä tulee laajentaa ja päivittää laadullisella tutkimusotteella.

Tutkimuksen tarkoitus on lisätä asiantuntijamyyjien myyntikompetenssien ymmärrystä teollisuuden ostopäätöksentekijöiden näkökulmasta suhdemyynnin kontekstissa. Tässä tutkimuksessa kompetenssit koostuvat myyjän tiedoista ja taidoista. Tutkimusala käsittää tavarat, materiaalit ja palvelut, joita yrityksen ostotoiminto hallinnoi ja joita yritys käyttää päivittäin.

Tutkimusstrategiaksi valittiin abduktiivinen lähestymistapa (”systematic combining”). Tutkimuksen aineisto luotiin käyttämällä puolistrukturoitua henkilökohtaista haastattelumenetelmää. Tutkimus suoritettiin teknologiateollisuusyritysten hankinnoista päättävien henkilöiden keskuudessa Suomessa. Yritykset edustivat elektroniikka-, sähkötekniikka-, koneenrakennus- ja metallien jalostuksen toimialaa. Tutkimuksessa käytettiin harkinnanvaraista otantaa ja siihen valittiin tarkoituksenmukaisesti kolmenkymmenen yrityksen ostopäätöksentekijät. Yritykset vaihtelivat kooltaan ja yritysmuodoltaan sekä jakautuivat omistussuhteiltaan kotimaisiin ja kansainvälisiin yrityksiin. Ennen aineiston analyysia se organisoitiin ostajien osto-orientaatioiden mukaisesti osto-, hankinta- tai toimittajahallintaorientaatioon kuuluvaksi. Aineiston analyysissä käytettiin teema-analyysimenetelmää. Analyysituloksia verrattiin aikaisempaan teoriaan systemaattisesti. Empiirisen aineiston ja teorian välillä oli jatkuva vuorovaikutus.

Tutkimustulosten perusteella voitiin tunnistaa ostajan näkökulmasta 19 ylätasoa tietoa ja taitoa. Ostajan osto-orientaatioittain tunnistetut spesifiset tiedot ja taidot luokiteltiin geneerisiksi ja kontekstuaalisiksi tiedoiksi ja taidoiksi. Geneeriset tiedot ja taidot pätevät kaikkiin kolmeen osto-orientaatioon, kun taas kontekstuaaliset riippuvat ostajan nykyisestä osto-orientaatiosta. Geneeriset tiedot ja taidot liittyvät pääasiallisesti hinnanasetanta-, neuvottelu-,

kommunikointi- ja vuorovaikutustaitoihin ja kontekstuaaliset liittyvät tiedon jakamisen ja ratkaisun esittämisen taitoihin sekä suhdetaitoihin. Osto-orientaatiota edustavat ostajat arvostavat myyjiä, jotka ovat ”toiminnallisia asiantuntijoita säilyttäen pienen etäisyyden”. Hankintasuuntautuneet ostajat arvostavat myyjiä, jotka ovat ”syvällisesti asiakkaaseen ja asiakassuhteeseen omistautuneita asiantuntijoita”. Toimittajahallintaorientaatiota edustavat ostajat arvostavat myyjiä, jotka ovat ”yritystason asiantuntijoita”. Lisäksi ostajien näkemykset myyjän tiedoista ja taidoista eroavat myyjien ja myynnin johdon näkemyksistä. Ostajat painottavat substanssiosaamista kuten asiantuntijuutta, kykyä ymmärtää asiakkaan liiketoimintaa ja tarpeita, kykyä luoda asiakas-kohtaisia ratkaisuja, kykyä luoda arvoa, luotettavuutta ja kykyä rakentaa pitkäaikaisia asiakassuhteita. Sitä vastoin myyjät ja myynnin johto korostavat kommunikointi-, vuorovaikutus- ja myyntiprosessitaitoja.

Tutkimus yhdistää myyntitaitojen vallitsevan kolmen komponentin mallin koostuen teknisestä tiedosta, myyntiprosessi- ja ihmissuhdetaidoista sekä asiakassuhdetaidot ja ostajien osto-orientaatiot myyntikompetenssimalliksi. Tutkimustulokset syventävät ja päivittävät myyntikompetenssit B2B-ympäristössä ja luovat uusia näkökulmia niihin ostajien perspektiivistä lisäten täten myyntikompetenssien kontekstuaalista ymmärrystä. Tutkimus luo uutta tietoa myyjän kompetensseista suhdemyynnin, henkilökohtaisen myynnin ja myynnin johdon kirjallisuuteen. Se lisää myös tietoa osto-orientaatioista ostokirjallisuuteen. Sillä on useita seuraamuksia myynnin johdolle. Se haastaa myynnin johdon näkemään kriittiset myyntitiedot ja -taidot nykyistä syvemmin sekä kontekstuaalisesta että kompetenssinäkökulmasta myyntitoiminnan johtamisessa ja myyjien kehittämisessä. Tutkimustulosten avulla myynninjohto voi tehostaa suhdemyynnin vaikuttavuutta ja parantaa myyntiprosessin hallintaa ostajalähtöiseksi.

Avainsanat: myyntikompetenssit, tieto, myyntitaidot, suhdetaidot, osto-orientaatiot, B2B-myynti, abduktiivinen lähestymistapa, teknologiayritykset

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# 1 INTRODUCTION

## 1.1 Background of the study

Salespeople occupy a key role in implementing a firm's strategy and in taking the main responsibility for a firm's business relationships. Meta-analyses have found salespeople's selling skills to be an essential element of sales. They are the second most important predictor of sales performance among their other characteristics (Churchill, Ford, Hartley & Walker 1985; Rentz, Shepherd, Tashchian, Dabholkar & Ladd 2002; Verbeke; Dietz & Verwaal 2011). However, the vast majority of selling competence studies has relied on the well-established three-component conceptualization, consisting of interpersonal skills, salesmanship skills and technical knowledge. The starting point of this study is that changes in the sales landscape are continuous and act as drivers for developing the roles of salespeople and their competence requirements. The existing research on selling competencies should be broadened and updated through a qualitative research perspective due to the dynamic nature of selling competencies. As business-to-business (B2B) selling is inherently relational, there is a particular need to examine relational skills more closely. Through examining relational aspects as well, it is possible to get a holistic perspective and understanding of the phenomenon of B2B selling.

The role of sales is changing from a function to a process and from an isolated activity to an integrated activity, and it is focusing on strategic and value-creating issues rather than operational ones (Geiger & Guenzi 2009; Storbacka, Ryals, Davies & Nenonen 2009). Since the turn of this century, new practices, such as benchmarking, reengineering, alliances, empowerment, total quality management, micromarketing, downsizing and relationship marketing have shaped selling (Wotruba 1996). Modern selling is characterized by customer retention and loyalty targets, database and knowledge management, customer relationship management, marketing activities, problem solving and system selling, satisfying needs and adding value (Marshall, Goebel & Moncrief 2003; Moncrief & Marshall 2005). In addition, the adoption of service-centric business models and the delivery of integrated solutions for products and services provide value co-creation and wider networking in the buying organization (Ulaga & Loveland 2014).



A comparison of sales activities reported in a 1999 study with activities in a 1986 study shows their dynamic nature. A total of 49 new activities was identified (an increase of over 40%) and they could be grouped into five major categories: communication, sales, relationships, team-building/team-selling and database management (Marshall, Moncrief & Lassk 1999). The strongest thematic trend was the change in communication technology, consisting of e-mail, voice mail, mobile phones, the Internet, laptop computers, the fax, pagers, over-night delivery services, audio-video conferencing and web home pages. There has been a shift from the traditional salesperson's boundary-spanning role to the role of facilitator or resource manager and market makers and shapers (Geiger & Finch 2009; Marshall et al. 1999).

The sales function is increasingly becoming a relationship management role, as seen in the emergence of key account management (KAM) and strategic account management (SAM) (Storbacka et al. 2009). Instead of being one element of a promotional mix with limited authority to make decisions, the role of the salesperson in the relationship era has evolved to that of an active decision-maker as follows: (1) selector of an appropriate partner, (2) relationship advocate, (3) relationship expert, (4) relationship administrator, and (5) relationship monitor (Sharma 2001). Today, salespeople play a strategic role in value creation (Blocker, Cannon, Panagopoulos & Sager 2012; Vitale, Giglierano & Pfoertsch 2011). Salespeople also play an important role in a firm's strategic communication process (Flaherty & Pappas 2009). Verbeke et al. (2011) summarized in their meta-analysis that salespeople have become knowledge brokers owing to the emergence of a knowledge-intensive and science-based economy, where salespeople are transferring knowledge to customers.

Through an analysis of the development of salespeople's roles, one can better understand the qualifications and requirements required of them. Qualifications and requirements can then drive the competencies desired of the salesperson. In summary, the contemporary defining roles for industrial salespeople can be regarded as being that of a relationship manager, value creator, problem solver and knowledge broker from the customer point of view, and a strategic resource from the firm's point of view. The change and development of salespeople's roles reveal also the dynamic nature of their profession.

Naturally, changes do not relate only to the sales field. The purchasing field has also undergone a transformation that has consequences for buyers' expectations and the requirements of salespeople's competencies. Due to

global competition, total quality management, reverse marketing,<sup>1</sup> industry restructuring through mergers and acquisitions and the development of IT technology, the purchasing field has changed from one of being a transactional mindset to a relational mindset (Lindgreen, Révész & Glynn 2009; Sheth & Sharma 2008). The short-term adversarial approaches of buyers have changed into long-term relationships with selected key suppliers (Eggert, Ulaga & Hollmann 2009).

A majority of selling models and concepts has been created in the US based on research conducted in the American business environment. From 2003–2007, those authors who published articles in marketing journals outside of US schools accounted for only 31.9% of the total (Richards, Moncrief & Marshall 2010). It has been questioned whether personal selling concepts developed and validated in the US can be generalized across national and cultural boundaries (cf. Herche, Swenson & Verbeke 1996). The European purchasing context differs from the American purchasing context as to the degree of internationalization. The American purchasing market is more domestically oriented in nature.<sup>2</sup> Business cultures and selling practices vary essentially from country to country, and there are differences, for example, between European and the American business culture. Cultural matters certainly have an impact on salespeople's and buyers' behavior. This is also one reason why this is a study of considerable importance.

Compared especially with the US economy, Europe suffers from a lack of dynamism, which has its roots in an 'under-appreciation' of the role of selling, in turn affecting the interests of researchers in selling phenomena. Sales research in general at Finnish universities is relatively scarce. According to the literature search conducted on dissertation theses at Finnish business universities<sup>3</sup> for the period 2000–2012, only three theses were related to sales and none to industrial selling skills or competencies. During the period 2003–2007, four authors at the Helsinki School of Economics and two authors at the Swedish School of Economics and Business Administration (Hanken School of Economics) published selling and sales management discipline-related articles in 19 marketing journals (Richards et al. 2010). Mattsson and Parvinen (2011, 14) state that their publication 'Best Cases in B2B Sales Management' is the first-ever academic research project on sales management in Finland.

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<sup>1</sup> Where the buying company markets itself to the important suppliers (Humphreys, Williams & Goebel 2009).

<sup>2</sup> Share of international trade as a percentage of Gross Domestic Product (GDP) in 2011: US imports (16%), Finland imports (41%), US exports (13%), Finland exports (41%). Source: OECD Fact book, 2013.

<sup>3</sup> Union Catalogue of Finnish University Libraries, Melinda.

In addition, practitioners emphasize that within Finnish companies, there is a huge demand for people who possess selling competencies for managing domestic and international customers (Holtari 2013). The shortage depends both on the changing market situation and on the lack of courses focusing on selling at university level. Furthermore, the Finnish technology industry has determined that selling competencies and managing customer interfaces will become their core competencies by 2020 due to globalization and increasing competition, and that through developing a deep customer understanding, added value can be created for customers (Hernesniemi 2012; Karikorpi 2008). Thus, both sales practitioners and academic researchers have highlighted the importance of research on selling competence.

## 1.2 Research gaps

Prior research on selling skills related to sales performance and sales processes is abundant but it has focused on the seller-side viewpoints. Prior research on relational selling skills and behaviors exists, but much less so than selling skill research, and mostly it is from the seller side's perspective also.

Rentz et al. (2002) conducted a literature review of dimensions of selling skills. The review was based on studies conducted from 1985–1999 on selling skills. They adopted the following selling skills categorization: interpersonal skills, salesmanship skills and technical skills (Ford, Walker, Churchill & Hartley 1987), and further developed and validated a measure of selling skills rooted in these three dimensions. However, the contemporary marketplace is facing drastic changes and is becoming more complex. Customers are demanding customized solutions and the marketplace is more relationship and knowledge oriented. A contemporary meta-analysis on drivers of sales performance was conducted synthesizing empirical evidence from the period 1982–2008 by Verbeke et al. (2011). They further developed the antecedents of sales performance by Churchill et al. (1985) and by Rentz et al. (2002). They redefined the selling skills defined by Rentz et al. (2002) as micro- and macro-selling skills consisting of interpersonal skills, degree of adaptiveness and selling related knowledge.

The traditional 'seven steps of selling' is one of the oldest paradigms in the sales discipline. Moncrief and Marshall (2005) state that Dubinsky (1980/1981) modernized the 'seven steps of selling', and since then, selling has occupied the position of a professional discipline. They have further developed the paradigm, and the traditional sequential selling process has changed in the direction of a non-sequential selling one to become an 'evolved' selling process. Selling process and technique-related research on

improving the effectiveness of customer interactions and sales outcomes at the individual level have dominated sales research between 1983–2006 (Plouffe, William & Wachner 2008). Reid, Blank and Minton (1997) suggest that during the face-to-face selling process, both buyers' and salespeople's activities or behaviors can be viewed as getting, using and giving information. These three categories of behaviors describe the core of the face-to-face selling process.

Crosby, Evans and Cowles (1990) examined relational selling behaviors in their seminal article, defining them as high contact intensity, mutual disclosure and cooperative intentions. Biong and Selnes (1995) examined relational selling skills in the industrial selling context and suggested the following as variables: communication, conflict handling, personal similarity and sales aggressiveness. Communication and expertise have been found to be the most effective relationship-building strategies (Palmatier, Dant, Grewal & Evans 2006). Trust building has been found to be one of the key behaviors related to relationship selling (Jolson 1997; Weitz & Bradford 1999). Salespeople's trust has been a topic of research by Friend, Hamwi and Rutherford (2011) and by Belonax, Newell and Plank (2007) from the buyers' perspective, and commitment, also from the buyer's perspective, by Rutherford, Boles, Barksdale and Johnson (2008). B2B seller competence in a supply chain setting consists of seven competence dimensions: technical skills, change disposition, conflict management, market acuity, coordinated logistics, knowledge channels and fluid partnering. The first three qualifications in this list represent people-related skills, while the remaining four represent intangible B2B-enabled resources (Rosenzweig & Roth 2007).

Other relational selling behaviors, such as customer-oriented selling (Saxe & Weitz 1982; Schwepker 2003), adaptive selling (Spiro & Weitz 1990; Weitz, Sujan & Sujan 1986) and solution selling (Eades 2004; Evanschitzky, Wangenheim & Woisetschläger 2011; Storbacka 2011; Tuli, Kohli & Bharadwaj 2007) are well documented. Value creation, especially at the firm's level, has also been intensively researched in recent years (Anderson, Jain & Chintagunta 1992; Anderson & Narus 1998; Anderson, Narus & Narayandas 2009; Grönroos 2007; Homburg, Kuester, Beutin & Menon 2005; Hutchinson, Wellington, Saad & Cox 2011; Kaario, Pennanen & Storbacka 2004; Manning, Ahearne & Reece 2012; Palmatier 2008; Rauyruen & Miller 2007; Reilly 2010; Ritter & Walter 2012; Terho, Haas, Eggert & Ulaga 2012; Ulaga 2003; Ulaga & Eggert 2006; Vargo and Lusch 2004). As a result of the literature review, I have identified four research gaps that I will shed light on through my study.

The literature search,<sup>4</sup> ‘selling competencies’ (see also Appendix 1 and 2), shows also that the majority of recent selling skill studies are based on survey-based data collection from salespeople or sales managers. Data collection from buyers using qualitative methods was an exception.

*Gap 1: there is a need to update the selling competencies to meet today’s requirements.* There is a rich tradition of research in selling and sales management, but much of the knowledge is based on models and assumptions originating from the past few decades (Jones, Brown, Zoltners & Weitz 2005). The drivers of change, such as more knowledgeable salespeople, responding faster and providing value-added, customized solutions to customers’ problems, require salespeople to develop longer-term and closer relationships with customers than in the past (Cron, Marshall, Singh, Spiro & Sujana 2005; Jones et al. 2005). Managing these areas provides skills and behaviors that are different from the traditional salesmanship skills. As for selling process and techniques, European sales academics have emphasized the importance of researching individual-level approaches for improving the effectiveness of customer interactions and sales outcomes (Geiger & Guenzi 2009). Marshall et al. (2003) underline the need to update research on the selling process steps and skills. In addition, the shift in focus from products to solutions and from products to services have increased the importance of customer-focused or consultative selling, resulting in changes to the traditional selling process and selling process skills (Sheth & Sharma 2008).

*Gap 2: buyers’ viewpoints on selling competencies have largely been neglected, while the greater part of the body of knowledge is based on research conducted among salespeople.* Little is known about critical selling competencies from the buyer’s perspective (DeVecchio, Zemanek, McIntyre & Claxton 2002; Stafford & Stafford 2003; Williams & Plouffe 2007). According to the meta-analysis by Plouffe et al. (2008), the majority of the sample target groups were salespeople (50.1%) and sales managers (13.9%), while the share of buyers as a sample was as low as 12.9%. This can be regarded as ironic, because without buyers, no transactions are possible

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<sup>4</sup> The main literature search was accomplished exploiting electronic data resources via the Nelli portal of University of Turku. Following online databases were used for searching articles in eJournals: ABI/INFORM Global (ProQuest), Business Source Complete (EBSCO), Emerald Journals (EMERALD), ProQuest, SAGE Publications, Science Direct (Elsevier). Also, Ebrary was used for e-book searching and Google Scholar (<http://scholar.google.com>) for article searching. The keywords used in the search were: sales skills, selling skills, sales competencies, selling competencies, sales capabilities, selling capabilities, industrial selling, B2B-selling, sales qualifications, selling qualifications, salespeople’s behavior, sales process, selling process, relationship selling, adaptive selling, value selling, interpersonal skills, interaction skills, knowledge, solution selling, consultative selling, problem solving selling, customer orientation, buying behavior, buying process, procurement and supply chain management. Also, a manual search of the table of contents and reference lists of hard copies and of various journals available online was conducted to find relevant articles.

(Plouffe et al. 2008). There are also discrepancies between the assessments of a salesperson's performance made by a salesperson, a sales manager and a buyer (Dion & Banting 2000). The buyer's opinion is relevant when determining a salesperson's qualifications, and, on the other hand, buyers and salespeople also evaluate a salesperson and their qualifications differently (Puri 1993).

*Gap 3: there is a need to know by which competencies business relationships should ideally be initiated, maintained and developed.* Past research has focused on the advantages of relationship marketing for selling companies, while relationships from the customer's point of view have received less attention (Liljander & Roos 2002). The movement towards long-term collaborative relationships within the marketing literature has been recognized. However, there is surprisingly little empirical guidance on the ways how and with which skills and behaviors these relationships should be initiated, maintained and developed at the salesperson's level (Ahearne, Jelinek & Jones 2007; Beverland 2001; Boles, Johnson & Barksdale 2000; Workman, Homburg & Jensen 2003). In addition, Evans, McFarland, Dietz and Jaramillo (2012) found five under-researched areas of sales performance: salespeople's ability to manage intra-organizational resources, salespeople's creativity, identification and execution of effective influence techniques suitable to customers and establishing credibility with buyers, managing ethical issues and selling teams. Cano, Boles and Bean (2005) conclude that communication in buyer-seller relationships during the selling process has been scantily researched. Hansen, Singh, Weilbaker and Guesalaga (2011) suggest that there is only a limited understanding of the means by which cross-cultural relationships are successfully managed. Palmatier et al. (2006) conclude that focusing on a single relational mediator may be misleading, and, instead, they stress the importance of researching a multidimensional perspective on relationships.

Qualitative methods as a form of research provide more in-depth information but less breath of information. However, they are suitable for addressing the above-mentioned research gaps, and they are required to solve the research problem. Plouffe et al. (2008) conducted a content analysis of all sales-related articles published by most important sales and marketing journals between 1983–2006. They found that methodological choices made by sales researchers were mostly based on survey-based data collection, the percentage being as high as 77% of all collection methods used. They suggest that sales researchers may over rely on survey designs. Qualitative data collection methods represented only 7% of all methods. However, qualitative methods are regarded as a means of gathering meaningful data for customer perceptions

and for defining customers' requirements (cf. Hensel 1990; Westbrook & Peterson 1998).

### 1.3 Purpose of the study

The purpose of this research is to increase understanding of the professional salesperson's selling competencies from the industrial purchasing decision-maker's viewpoint. The objective is pursued by exploring which competencies in terms of sales-related knowledge and skills buyers regard as valuable and critical. To produce a holistic understanding of the phenomenon under scrutiny, competencies are examined through several theoretical lenses: the buyer's viewpoint, purchasing orientations, selling skills and relational behaviors in buyer-seller relationship. In order to resolve the research problem and address the aforementioned research gaps, the following research questions are posed:

- What are the key selling competencies from the perspective of the buyer?
- What are the key relational competencies from the perspective of the buyer?
- Do the salesperson's selling competencies manifest themselves differently according to the buyer's purchasing orientation?

More precisely, I aim to understand what kind of knowledge and skills buying people emphasize, appreciate and expect from salespeople when interacting with them on a daily basis. The relationship context affects selling competence requirements through different phases of the relationship, the closeness of the relationship and the depth of the cooperation in the relationship. The second question seeks a response to these issues. One or several purchasing orientations frame each buying organization's way of buying, thus impacting on expectations of salespeople's knowledge and skills. Through the third question, I seek to discover the relation between selling competencies and purchasing orientations and whether generic and contextual knowledge and skills emerge. I employ a multidimensional approach in identifying competencies.

I integrate the traditional three-components of a selling skill model, relational selling skills and purchasing orientations to create a holistic selling competence model from the buyer's perspective. Thus, the study contributes to establishing a competence approach in the sales management literature. It also updates the content of current selling knowledge and skills and widens and deepens the three-component model, thus adding knowledge to the personal selling and sales management and relationship selling literature. The study

identifies the knowledge and skills required in the different phases of the relationship and deepens the understanding of relational selling competencies, thus adding knowledge to the relationship-selling literature. It increases contextual understanding in the relationship-selling literature through addressing the relationships and contextual understanding to purchasing literature through addressing purchasing orientations. It creates new knowledge about contextual and generic selling knowledge and skills contributing to relationship selling and personal selling and sales management literature.

More precisely, this study is linked to selling skills studies and selling process studies in the field of personal selling (e.g. Churchill et al. 1985; Plouffe et al. 2008; Rentz et al. 2002; Moncrief & Marshall 2005; Verbeke et al. 2011). It is also linked to studies in the field of relationship selling (e.g. Ahearne et al. 2007; Biong & Selnes 1995; Crosby et al. 1990; Jolson 1997; Weitz & Bradford 1999). It is further linked to studies in the field of selling approaches related to relational behaviors, such as customer orientation (e.g. Franke & Park 2006; Saxe & Weitz 1982; Schwepker 2003), adaptive selling (e.g. Franke & Park 2006; McFarland, Challagalla & Shervani 2006; Spiro & Weitz 1990; Weitz et al. 1986), problem-solving selling (e.g. Rackham & DeVincentis 1999), consultative selling (e.g. Liu & Leach 2001), solution selling (e.g. Eades 2004; Evanschitzky et al. 2011; Storbacka 2011; Ulaga & Loveland 2014; Tuli et al. 2007) and value selling (e.g. Haas et al. 2012; Kaario et al. 2004; Manning et al. 2012; Terho et al. 2012; Ulaga & Eggert 2006). In addition, the study is linked to studies in purchasing and supply chain management literature (e.g. Anderson et al. 2009; Palmatier, Scheer, Evans & Arnold 2008; Pressey, Tzokas & Winklhofer 2007; Rackham & DeVincentis 1999; Viio & Grönroos 2014) while the purchasing orientations serve as a context for the study.

### **Context of the study – Technology industries**

This study was conducted among the purchasing decision-makers in the technology industries in Finland, encompassing sectors such as electronics and the electro-technical industry, the mechanical engineering industries and the metals industries.<sup>5</sup> The technology industries' share of total Finnish industry came to 53% in 2012 (cf. in Germany, 52%, and in Sweden, 61%). The technology industry is also a highly export-oriented industry, representing 47% of total Finnish exports. It encompasses 80% of total Finnish R&D

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<sup>5</sup> NACE-codes (Statistical Classification of Economic Activities in the European Community): Metals industry (24), Mechanical engineering industries (25, 28, 29, and 30), Electronics and Electro-technical industries (26, 27, 32.5).



investment and employs 295,000 people directly, with the total employment effect being 725,000 people employed. This equates to 30% of the Finnish workforce. In addition, it employs 300,000 people in subsidiary companies outside of Finland. (Teknoliigat / The Federation of Finnish Technology Industries.)

The scope of the study covers goods, materials and services managed by the company's purchasing function and used by the organization on a daily basis, that is, product categories, according to Kraljic (1983), that include leverage, critical, routine and bottlenecks items. The study does not cover investment goods, such as factory buildings and production lines. The buying situations of the study cover new tasks, modified rebuy and straight rebuy buying situations carrying out by purchasing people.

#### 1.4 Positioning of the study

Theoretically, this study relates to three fields. The fields in the positioning are: (1) personal selling and sales management theories, (2) the relationship marketing paradigm, and (3) organizational buying behavior. Personal selling and sales management is a sub-area within the marketing management school of thought. Buyers' purchasing orientations as a context for the study are a sub-area within the buyer-behavior school of thought (cf. Shaw & Jones 2005; Sheth, Gardner & Garrett 1988). The relationship marketing paradigm is regarded as the major new marketing paradigm since the 1990s (Grönroos 1994). The earlier exchange school of thought is no longer capable of explaining the continuous nature of relationships between marketing actors because it focuses on value distribution and outcomes of exchange instead of value creation and relationship engagement (Sheth and Parvatiyar 1995). The positioning of the study in the theory field is presented in Figure 1.

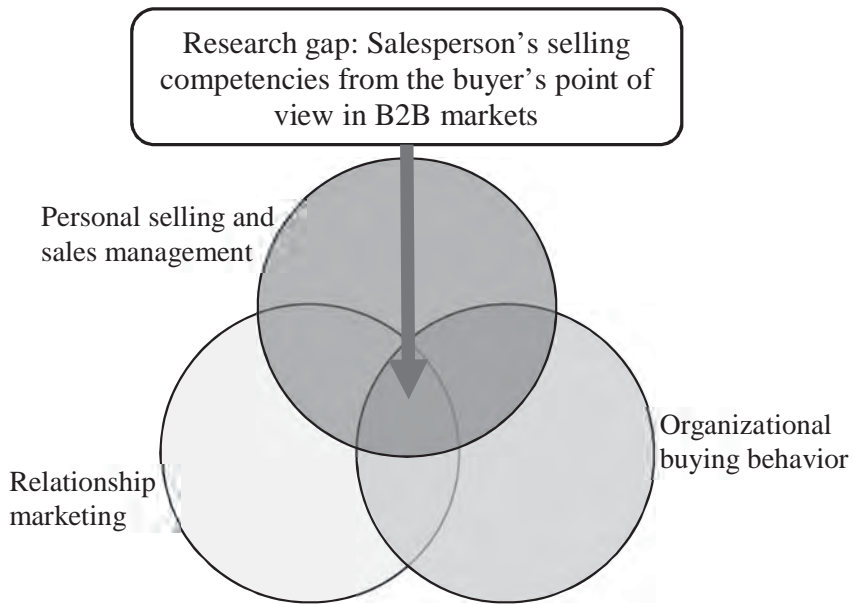


Figure 1 Positioning of the study

Figure 1 illustrates the theoretical foundations of this study and the study will contribute to all three areas of the research. However, the main contribution will be in the area of relationship selling in the domain of the relationship marketing paradigm and in the area of personal selling and sales management. In this positioning chapter, the role of relationships between buyer and seller firms is discussed due to the importance of relationships for the study in general. In addition, I discuss the role of selling in the domain of industrial marketing and review the most pertinent definitions of selling because definitions summarize the core idea of the phenomenon and mirror the core competence requirements provided by the phenomenon.

### **Long-term buyer-seller relationships as the cornerstone of relationship marketing**

In this study, the buyers stated that 80% and even more of their supplier relationships are on a long-term basis. The relational preference over the transactional preference is high (cf. Sheth & Shah 2003). Interpersonal relationships between the buying people and salespeople are not isolated from the relationships at the firms' level. Competent salespeople understand the congruence of interpersonal and firm-level relationships. Relationship marketing attempts to integrate customers and suppliers, resulting in close interactive relationships and close economic, structural and emotional bonds between market actors (Sheth & Parvatiyar 1995). Relationship marketing

(RM) and management of customer relationships has been an important topic in the marketing literature since the early 1990s (e.g. Pillai & Sharma 2003; Sheth & Shah 2003). According to the relationship perspective, continuous purchases and new sales opportunities follow when the relationships are managed well. The concept of relationship marketing and the concept of buyer-seller interactions were initiated by the Nordic School of service management and marketing and in business-to-business and industrial marketing by the Industrial Marketing and Purchasing Group (IMP Group) in the 1980s (Grönroos 2007, 24). The Nordic School points out the importance of interactions between suppliers of goods and industrial buyers.

The focus on interactions between the supplier and the customer and initiating, maintaining and developing long-term relationships are repeated in the conceptualizations of relationship marketing. 'The purpose of relationship marketing is to identify and establish, maintain and enhance, and when necessary terminate relationships with customers (and other parties) so that the objectives regarding economic and other variables of all parties are met. This is achieved through a mutual exchange and fulfilment of promises' (Grönroos 2007, 29). 'Relationship marketing refers to all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges' (Morgan & Hunt 1994) while 'Relationship marketing (RM) is marketing seen as relationships, networks and interaction' (Gummesson 1996). Value creation is an essential part of relationships (Grönroos 2007, 28). Both customers and suppliers create value through access to technology, information and markets, providing companies with sustainable competitive advantage (Sharma & Sheth 1997). Other important elements are future orientation, orientation to customer retention, co-operation and partnerships, continuous interaction, win-win relationships and reciprocity, a high emphasis on customer service and meeting with customer expectations (see, for example, Egan 2001, 24). Arnett and Badrinarayanan (2005) further developed the relationship marketing concept to a relationship marketing competence 'as a firm's ability to identify, develop, and manage cooperative relationships with key customers characterized by trust, relationship commitment, and communication'.

Firms have found that long-term relationships contribute several benefits: faster entry into new markets, reduction of business-related risks and uncertainties, cost control and cost savings, better product performance and customer retention (Anderson & Narus 1990; Noordewier, John & Nevin 1990; Sharma 2001). A long-term customer orientation has positively impacted on business performance and contributed to measuring the value of customer relationships in those companies that adopted relationship marketing practices (Sheth & Shah 2003). The positive benefits of RM for companies

have not generally been questioned (Liljander & Roos 2002). A meta-analysis (Palmatier et al. 2006) clearly shows that RM and strong relationships have a positive impact on the performance of the company. But it shows also that the intervening role of relational mediators (commitment, trust, relationship satisfaction and relationship quality) is more complex compared to what the existing literature describes. No single relational mediator can capture the full essence of a customer-seller relationship. A multidimensional perspective of relationships is therefore needed by the authors, and focusing on a single relational mediator may even be misleading. Also, the well-intentioned RM strategy may be unsuccessful due to poor implementation or the lack of management support (Colgate & Danaher 2000). The length of the relationship increases the relational orientation of the buying firm. In mature relationships, there are factors which affect the transaction versus relational orientation: suppliers' relational assets, buyers' transaction-specific investments, the quality of alternatives, the higher level of knowledge of salespersons, a lack of innovation, dissatisfaction, personal social bonds and changes in the environment (Pillai & Sharma 2003).

Möller and Halinen (2000) identified two types of relationship marketing theories: (1) Market-Based Relationship Marketing and (2) Network-Based Relationship Marketing. Complex exchange relationships are typical of the network context. Less complex or fairly simple exchanges take place in a market-based context. The authors take a dualistic approach, arguing that complex exchange relationships lead to mutual interdependence and may complicate switching behavior. In case of low complexity of exchange, the customer may exploit other opportunities and also switch the supplier more easily. They suggest that relationship marketing theory does not replace traditional marketing management theory, but rather that both theories can be applied by companies in buyer-seller relationships. Accordingly, within selling, traditional selling theories, for example, transactional relationships to some extent and the 'seven steps of selling', can also be applicable in certain contexts in the relational selling era.

### **Role of selling in industrial marketing**

There are several definitions of selling, often derived from the definition of marketing. The definitions or formal statements of the meaning of marketing at different times describe changes in the way of thinking (cf. Bergström & Leppänen, 2009, 22). From the viewpoint of contemporary selling, I consider the marketing approaches by Grönroos (2006) and Vargo and Lusch (2004) as fundamental ones that supersede the definition of American Marketing Association (AMA 2007). Both of the aforementioned approaches point out

the importance of relationships, interaction and value creation and the central role the selling or the salesperson has in the implementation of them.

Grönroos (2006) suggests a definition of marketing that takes into consideration recent research concerning customer value, relationship marketing, services marketing and the promise concept:

*Marketing is a customer focus that permeates organizational functions and processes and is geared towards making promises through value proposition, enabling the fulfilment of individual expectations created by such promises and fulfilling such expectations through support to customers' value-generating processes, thereby supporting value creation in the firm's as well as its customers' and other stakeholders' processes.*

The definition points out that customers have explicit and implicit expectations, and these expectations should be fulfilled by the supplier. Expectations are created by making promises through a value proposition. Customer value is created in customers' value-creating processes being congruent with 'value-in-use' notions. Grönroos suggests calling this definition a 'promises management definition'. Salespeople have a major role in making promises to customers.

The dominant logic for marketing has focused on tangible resources, embedded value and transactions, while over the past number of decades, new perspectives have emerged and the focus is shifting away from tangibles towards intangibles consisting of skills, information and knowledge (Vargo & Lusch 2004). Interactivity, connectivity and ongoing relationships are an essential part of the new dominant logic. Fundamental premises from the selling and sales management viewpoint are: (1) the application of specialized skills and knowledge is the fundamental unit of exchange, (2) goods are distribution mechanisms for service provision, (3) knowledge is the fundamental source of competitive advantage, (4) value is perceived by customers on the basis of 'value-in-use'; the customer is always a co-creator of value, and (5) a service-centered view is customer oriented and relational. From an individual salesperson's point of view, in this new logic, the competence approach is preferred over the skill approach.

The marketing paradigm positions selling hierarchically within the marketing construct. McCarthy classified marketing activities as marketing mixed tools consisting of product, price, place and promotion in the 1960s (e.g. Armstrong, Kotler, Harker & Brennan 2009, 55–56; Groucutt 2005, 157–158; Kotler, Keller, Brady, Goodman & Hansen 2012). The promotion covers a full range of marketing communication, including advertising, direct marketing, personal face-to-face selling, public relations, sales promotions and word of mouth. This definition determines selling to be a part of the marketing

communication mix. Egan (2007, 320–322) places personal selling also as one of the main four marketing communication components (advertising, public relations, personal selling and sales promotion). He emphasizes the importance of personal selling, particularly when a customer expects an immediate response or relationship building and maintenance are the main focus of the business. Appendix 3 summarizes the existing definitions of personal selling.

Traditionally, personal selling is defined as face-to-face or person-to-person communication, where persuading and promotional elements are highlighted (e.g. Brassington & Pettitt 2013, 457; Dahlén, Lange & Smith 2010, 280; Lovelock & Wirtz 2011, 199, 622; Manning et al. 2012, 37; Solomon, Marshall, Stuart, Barnes & Mitchell 2013, 507). In addition to customer needs, Weitz, Castleberry and Tanner (2009, 4) emphasize a long-term perspective in buyer-seller relationships. This definition takes the customer more into consideration than traditional definitions. It emphasizes need and problem identification together with the customer, suggesting solutions based on information sharing, and, in order to secure long-term customer satisfaction, providing post-sales services also. Manning et al. (2012, 37) also emphasize the role of relationship building in today's selling.

A key issue in personal selling is that customer relationships are initiated, developed and enhanced through interpersonal communications between buyers and salespeople (Ingram, LaForge, Avila, Schwepker & Williams 2009, 53). Ingram, LaForge, Avila, Schwepker and Williams emphasize that salespeople may contribute to creating and increasing customer value if they manage to build trust with their customers and satisfy customer needs. Ingram et al. (2009, 53) suggest that personal selling as a communications tool is more credible and flexible than other promotional tools like advertising, sales promotion, publicity and sponsorship. It is especially suitable in business-to-business markets in which the benefits of personal communications are crucial.

Dixon and Tanner (2012) suggest a new definition of selling as: 'the phenomenon of human-driven interaction between and within individuals/organizations in order to bring about economic exchange within a value-creating context'. They criticize the existing definition because they see that selling today is not about promoting products. Selling is not a linear multistep process proceeding from preapproach steps to after sales follow-up steps. As a driver of selling, the customer's value-creation process (VCP) is emphasized. There are also differences in the value-creation process in different industries, which has to be taken into consideration in value-creation settings. This definition does not especially emphasize the relationship perspective.

In sum, personal selling is an essential part of marketing. Hierarchically, it is one element of the promotion or marketing communications mix. However, Homburg, Jensen and Krohmer (2008) suggest, based on their research in Europe, that marketing and selling are separate functions. Seldom do sales managers report to marketing managers, and many traditional marketing activities are conducted by sales. Based on findings from his empirical research, Guenzi (2013) suggests that sales is not an implementation arm of marketing. The sales department has even greater influence on market-related decisions than the marketing department. The role of sales has changed from one of being a narrow and tactical marketing specialty to a strategic topic in the domain of industrial marketing (Ingram, LaForge & Leigh 2002; Storbacka et al. 2009; Williams & Plouffe 2007).

In the technology industry especially, marketing seems to be very much sales-driven, and marketing acts as a supporting function to sales. Personal selling definitions point to face-to-face or person-to person communication, needs identification and building, developing and maintaining customer relationships. The promotional aspect of personal selling is decreasing, and the relationship and value creation aspects increasingly describe the meaning of modern selling.

## 1.5 Research process and structure of the report

The research design is an overall plan to combine the conceptual research problem with the relevant empirical research, while the choice of the research design can be regarded as a general strategy to find the information needed (Ghauri & Grønhaug 2002, 47). I have chosen an exploratory research design for this study because the problem structure is unstructured; solving the problem needs flexibility and a detective's approach while using the existing information in a fully grounded way (Ghauri & Grønhaug 2002, 49). I follow an interpretive research approach and an interpretive view on data, i.e. my constructions of data are the respondents' constructions of how they see selling competencies (cf. Walsham 2006). The objective is to theoretically generalize the findings outside the context and thus enable the theory development through employing the 'systematic combining' and abductive approach of Dubois and Gadde (2002).

Most sales skills studies have used quantitative research methods, mainly among salespeople. In order to acquire an in-depth understanding of the content of sales competence as buyers perceive it, a qualitative method has been chosen for this study. Qualitative research is based on the description of real life, aiming at investigating the issue in a holistic way to get a

comprehensive understanding of the phenomenon (Hirsjärvi, Remes & Sajavaara 2009, 161). Qualitative research looks at the whole picture (Janesick 2000, 385). It is not value free. The values lie in how we as researchers aim to understand the phenomenon we are investigating. It is not possible to attain traditional objectivity either because the researcher and the knowledge are inter-related. Conditional explanations as results limited to a certain place and time can only be found. Generally speaking, the aim of qualitative research is to find or uncover facts instead of verifying existing hypotheses. (Hirsjärvi et al. 2009, 161.)

There are three types of reasoning logic: inductive, deductive and abductive. Deductive research is based on theories, concepts and hypothesis formulation, i.e. theory testing. Inductive research starts with data collection from authentic environments (Gummesson 2000, 63). Categories, patterns, concepts, models and theories emerge from the data, i.e. theory creating. This study adopts the ‘systematic combining’ and abductive approach (Dubois & Gadde 2002). It enables the researcher to choose theories before collecting the empirical data and also to complete theories after the data collection. After analysing the data, the results are compared to the theory. The continuous interaction between data and theory enables the generation of new ideas and concepts and theory development (Dubois & Gadde 2002). Theories serve as heuristic tools for guiding the exploration and interpretation of the real world (Coffey & Atkinson 1996, 156–157). The entities to be analyzed are chosen from the empirical data, and the analysis is data driven.

The report consists of five chapters, as illustrated in Figure 2.



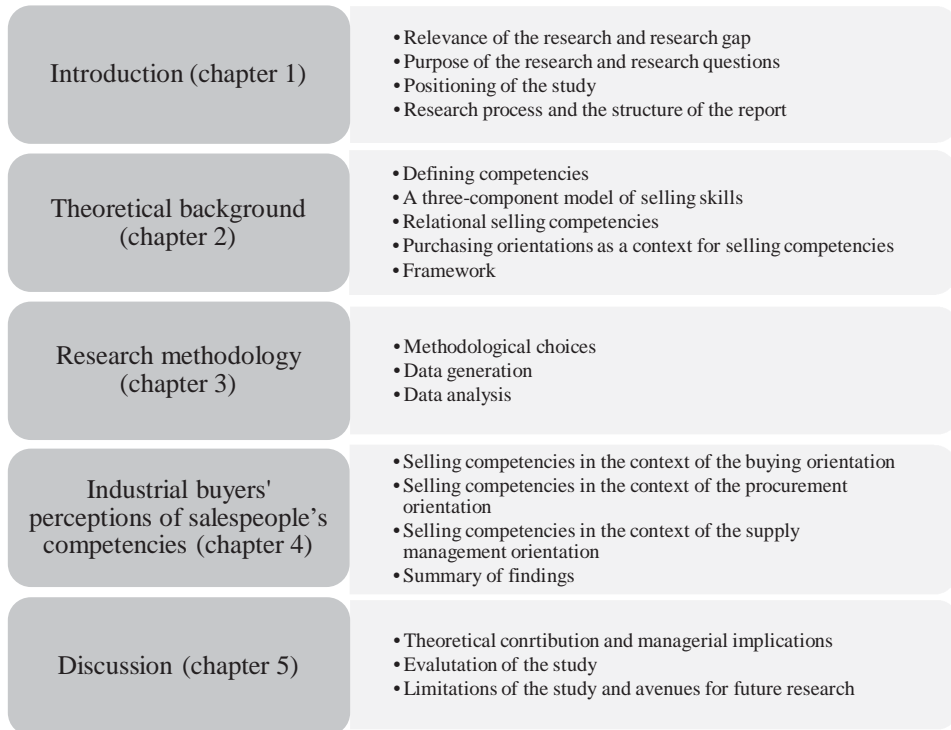


Figure 2 The structure of the research

Chapter One introduces the study, presenting its background, summarizing the under-researched areas and defining the research gaps. It encompasses the purpose of the study, the expected contributions, a short overview of the technology industry as the context, the positioning of the study in marketing domain and the study's research design.

In Chapter Two, I review the relevant selling literature. First, I define the concept of selling competencies. After this, technical knowledge, salesmanship skills and interpersonal skills are discussed. Then I scrutinize relational selling competence concepts. This begins with exploring relational selling competencies, skills and behaviors. After that, I address the most applicable relational selling approaches. Customer-oriented selling is examined followed by other crucial selling approaches, such as adaptive, problem-solving, consultative, solution and value selling. After this, I deepen understanding of a professional buyer's viewpoint on selling competencies. Purchasing orientations, organizational buying behavior, purchasing decision-making process and aligning of selling process to buying process are discussed. Finally the selling competence framework is conceptualized. Selling competencies consist

of knowledge, salesmanship, interpersonal and relationship competencies. They are viewed through the buyers' purchasing orientations.

Chapter Three comprises the methodological choices of the study. The qualitative method and the methodological choices applied are discussed. The research process is discussed in detail to show the researcher's competence in employing the chosen methodology. The sampling and data collection process for the pre-study and main study are clarified, followed by an explanation of the analyzing process.

Chapter Four comprises the empirical research of this study. This chapter organizes and categorizes the field data. It consists of analyzing and interpreting the data followed by matching the findings with the existing literature. The results are organized according to the selling competencies/purchasing orientations. The findings are summarized.

The theoretical contribution and managerial implications are addressed in Chapter Five. It links the findings of Chapter Four to the research problem's body of knowledge discussed in Chapter Two. The trustworthiness and limitations of the study are evaluated, and this is followed by suggestions for future research.



## 2 SELLING COMPETENCIES

In this chapter, which deals with theory, I examine how the selling literature has addressed the salesperson's selling skills and competencies. First, I examine the concept of competence described by different theories and define 'selling competencies' for this study. Then I review the three-component model of selling skills and related research. After that I scrutinize selling competencies from the relational perspective, and finally I examine the purchasing orientations as the context for the study.

### 2.1 Perspectives on competence

The sales literature has traditionally preferred concepts like sales or selling skills to sales or selling competencies. Specific sales meetings (e.g. 'the seven steps of selling') have been a dominant unit of analysis in sales research (cf. Plouffe et al. 2013) stressing the prevalent position of selling skills. In recent years, with human resource management (HR) literature establishing the company's and the individual's competencies as a key area of competitiveness, selling literature has also sporadically adopted competence to its vocabulary. Psychological, educational and management research has traditionally considered competencies as *knowledge, skills, capabilities, attitudes, or behaviors* that characterize excellent performance within a specific context (cf. Carrol & McCrackin 1998). There are several types of competencies, for example, key competencies for all employees, team competencies for interdependent groups, functional competencies and leadership and management competencies. Selling competencies are an example of functional competencies describing specialized knowledge and skills needed in selling roles. Competencies are made visible and understandable by creating and employing competency models (cf. Campion, Fink, Rugeberg, Carr, Phillips & Odman 2011).

There are two conflicting views of the term 'competency/competence'. The US approach defines competency as 'an underlying characteristic of a person which results in effective action and/or superior performance in job' while according to the UK approach competence is what a person should be able to do in a specific professional field (Cheng, Dainty & Moore 2002). The US model (macro competencies, underlying) tries to identify the skills, personal

characteristics or behaviors of successful job holders while the dominant UK model (micro competencies, task lists) employs a tasks-oriented job analysis technique to identify the necessary roles, tasks and duties of the occupation.

Competencies and capabilities are often also used interchangeably, both in the academic and the sales consultancy literature (cf. Madhavaram & Hunt 2008). However, quite often also, competencies are addressed at the individual level and a capability at the level of the firm, i.e. the firm has a capability to exploit the personnel's competencies (www.differencebetween.net 2014) When using a capability at the individual level, it is addressed as a person's potential to develop with time into a competence. At the organizational level, capabilities are defined as bundles of skills, knowledge and resources possessed by suppliers that are perceived as being valuable by customers and that are not easily imitated by competitors (cf. Harmsen & Jensen 2004; Pressey, Winklhofer & Tzokas 2009). Producing customer value suppliers requires capabilities based on the needs of customers (Möller & Törrönen 2003).

Individual competencies have been developed, for example, by McClelland (1973); Boyatzis (1982); Spencer and Spencer (1993); Carrol and McCracken (1998). Boyatzis and McClelland have defined competency as a capability or ability (Boyatzis 2009; Ryan, Emmerling & Spencer 2009). The concept of competency is related to the concept of the performance, i.e. the person's capability meets the demands of the job (Boyatzis 2009; Boyatzis & Ratti 2009). The employment of competence-based human resource management differentiates outstanding performers from average performers. The differentiating competencies include: cognitive intelligence, emotional intelligence, self-management, social intelligence, social awareness and relationship management competencies (Boyatzis & Ratti 2009). The threshold competencies include expertise and experience, knowledge and basic cognitive competencies.

Spencer and Spencer (1993, 9–11) define a competency as a combination of five parts: motivation, personal characteristics, the person's self-esteem, knowledge and skills. Competency is always viewed in relation to a certain job and its requirements and the performance of the person in that job. Competency thus predicts how good a performance will become. The elements of competency differ from each other in their grade of visibility and the level of difficulty in acquiring them. It is more difficult to develop motivation and personal characteristics than knowledge and skills (Spencer & Spencer 1993, 11).

Sales Training Drivers (2010) defines competence as the salesperson's knowledge, skill and internal motivation. A competent salesperson has an ability to interact with any organization and with people at any hierarchy level

of the organization, and to build trust with them. At the individual level, Lambert, Ohai and Kerkhoff (2009, xxi) suggest that competencies can be used as selection criteria for new salespeople and when creating training and development programs for salespeople. Individual salespeople can use competencies when evaluating their own job performance. Also, Cron et al. (2005) suggest that knowledge, skills and ability (the KSA approach) form a framework for the training, development and selection of salespeople. As for the employment of competencies by salespeople to their work, it is important to focus on the most critical competencies from the viewpoint of the salesperson's goal and to choose important strengths, as well as a few developmental competencies (cf. Harvard University Competency Dictionary 2008).

Figure 3 describes the focus of my study concerning salespeople's selling competencies by employing Spencer and Spencer's 'Iceberg' model (1993).

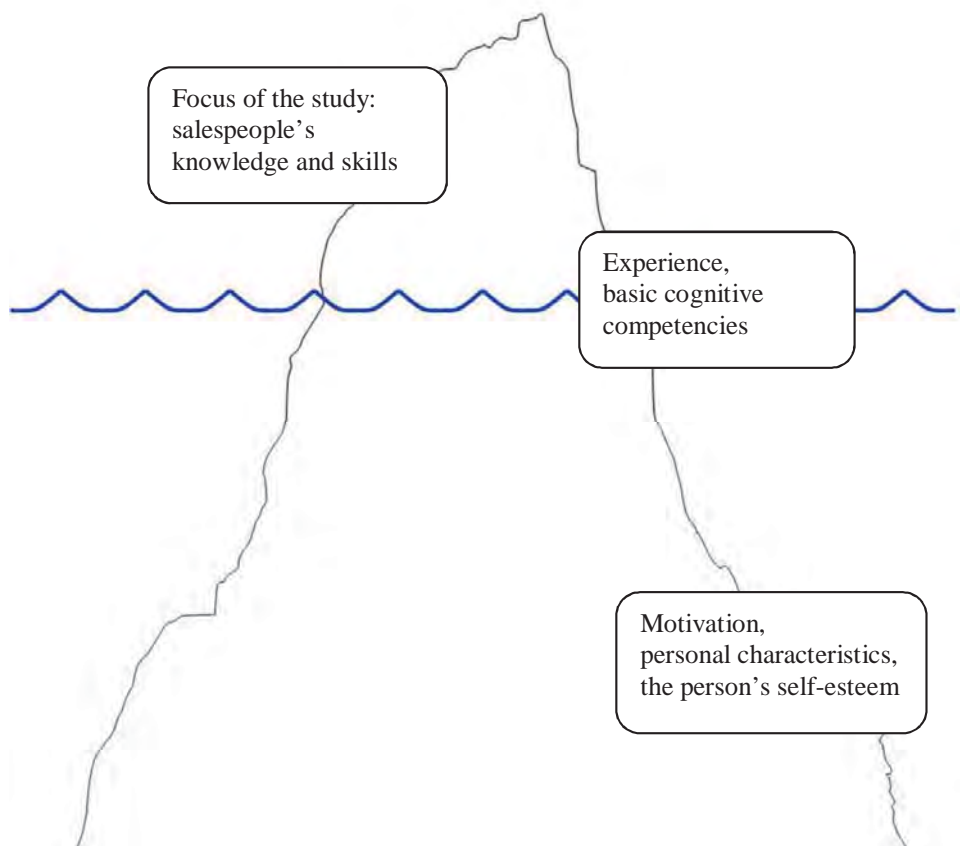


Figure 3 Iceberg model (adapted from Spencer & Spencer 1993, 11)

The main focus of this study is on the visible parts above the iceberg. Palmatier et al. (2008) have defined selling competence as the salesperson's expertise, knowledge and skills. Based on this definition and on Spencer and Spencer's (1993) definition, for the purpose of this study I define competencies as *sales-related knowledge and skills*. Salespeople acting as knowledge brokers need a breadth and depth product, customer and competition related knowledge (Rapp, Bachrach, Panagopoulos & Ogilvie 2014; Verbeke et al. 2011). For the purpose of this study I define knowledge as *a body of information to be applied to the performance of the necessary tasks for the sales job*. For the purpose of this study I refer to the well-established definition and define selling skills as *the individual's learned proficiency at performing the necessary tasks for the sales job* (cf. Ford et al. 1987; Rentz et al. 2002). In general, the literature does not differentiate between the concepts of 'sales' and 'selling', but rather uses them interchangeably and synonymously, although sales can be examined as activities of selling products and services while selling encompasses actions of sales or sales work carried out by salespeople (cf. Viio 2011). Analogously, the present study focusing on the individual level adopts the concept 'selling competencies' instead of sales competencies.

Defining and maintaining selling competencies are important in achieving a success in sales. Specifically defined selling competencies help in making the development requirements of salespeople visible and facilitate continuous learning (cf. Carroll & McCrackin 1998).

## 2.2 A three-component model of selling skills

Churchill et al. (1985) published a seminal paper on the antecedents of sales performance or sales success. The article has become one of the top ten sales articles of the 20<sup>th</sup> century (Leigh, Bolman Pullins & Comer 2001). Based on a meta-analysis on the determinants of salesperson performance, the determinants were ranked as follows: (1) personal factors, (2) selling skills, (3) role variables, (4) aptitude, (5) motivation and (6) organizational/environmental factors. The meta-analysis covered the selling literature from 1918–1982. The model of the determinants of sales performance by Walker, Churchill and Ford (1977) was used. Sales performance refers to behavior how the salesperson's behavior contributes to the goals of the firm, such as the market share, sales revenue, selling high profit-margin products, quickly generating sales of new products and exceeding sales targets among others (Behrman & Perreault 1982; Hunter & Perreault 2007; Sujana, Weitz & Kumar 1994).

Selling skills were found to be the second most important predictor of sales performance. Selling skills have been defined as ‘the individual’s learned proficiency at performing the necessary tasks for the sales job, and it consists of three distinct components (Ford et al. 1987): (1) Interpersonal skills, such as *knowing how* to cope with and resolve conflicts; (2) Salesmanship skills, such as *knowing how* to make a presentation and how to close a sale; (3) Technical skills, such as *knowledge* of product features and benefits, engineering skills, and the procedures required by company policies’ (Rentz et al. 2002).<sup>6</sup> In order to separate highly-skilled salespeople from lesser-skilled salespeople, Rentz et al. (2002) developed a tri-component model of selling skills based on the sales performance literature between 1985–1999. In their final scale, they classified interpersonal skills, salesmanship skills and technical knowledge into 15 items, according to Table 1. These three skills are still regarded by practitioners today as competencies constituting salesperson performance (Plouffe, Hulland & Wachner 2009).

Table 1 Three Dimensions of the Selling Skills Scale Items  
(adapted from Rentz et al. 2002)

<b><i>Interpersonal skills</i></b>
Ability to express yourself nonverbally
Ability in general speaking skills
Awareness and understanding of the nonverbal communications of others
Ability to control and regulate nonverbal displays of emotion
Ability to manipulate others to control the situation
<b><i>Salesmanship skills</i></b>
Ability to prospect for customers
Ability to qualify prospects
Ability to close sales
Ability to present the sales message
Ability to service the account
<b><i>Technical knowledge</i></b>
Knowledge of customers’ markets and products
Knowledge of one’s own company’s procedures
Knowledge of competitors’ products, services and sales policies
Knowledge of product line, including product features and benefits
Knowledge of customers’ operations (e.g. store and shelf layout, employee training, etc.)

<sup>6</sup> The definition of selling skills originates from the conceptualization by Ford, Walker, Churchill and Hartley 1987.



As can be seen, contemporary selling skills and behaviors, such as knowledge brokering and consultative, relational, customer-oriented and value-selling approaches are missing in this scale, although today, ten years later, these skills are ranked highly on the selling skills rankings. Nonverbal communications skills play quite an essential role in this scale. Salesmanship skills represent traditional selling process skills.

A contemporary meta-analysis on drivers of sales performance was conducted synthesizing empirical evidence from 1982–2008 by Verbeke et al. (2011). They further developed the antecedents of sales performance by Churchill et al. (1985) and by Rentz et al. (2002). They redefined the selling skills defined by Rentz et al. (2002) as micro- and macro-selling skills. Micro-selling consists of interpersonal skills and a degree of adaptiveness while macro-selling includes selling related knowledge. Traditional salesmanship skills were replaced by a degree of adaptiveness because of the given importance of the salesperson's adaptability in the selling literature. Owing to the importance of knowledge-based solutions for customers, the category of technical skills was replaced by the selling-related knowledge. The target was also aimed at emphasizing the richness and quantity of knowledge needed today in successful selling. In their multivariate causal model analysis, Verbeke et al. (2011) found that five sub-categories of 18 sub-categories demonstrated significant relationships with the performance: (1) selling-related knowledge, (2) degree of adaptiveness, (3) role ambiguity, (4) cognitive aptitude and (5) work engagement. They found also that in predicting relational sales performance, that is, relationship quality, interpersonal skills, goal orientation, the external environment, and supervisory leadership style, all of them seemed to be more crucial determinants. Dispositional traits, that is, predominantly personal characteristics, seemed to have a stronger association with traditional rather than relational performance against all expectations. They emphasized that salespeople have become knowledge brokers requiring sufficient cognitive abilities.

Sales presentation skills compiled by Johlke (2006) consist of the following salesperson's skills related to job performance: (1) active listening, (2) adaptive selling behaviors, (3) handling customer's objections, (4) closing sales transactions, (5) negotiating with customers and (6) identifying potential prospects. The results suggest that sales experience underlines the entire set of sales presentations skills while training provided associates with adaptive selling and prospecting skills. All of the sales presentation skills were found to be positively associated with sales performance. Compared to the three-component selling skill model, Johlke (2006) emphasizes the impact of relational, adaptive behaviors on the improved performance of the salesperson.

The study of salespeople's success factors among the sales managers of several industries represents the seller side's viewpoint of selling skills and behaviors well. Success factors were categorized into a total of six levels of importance (Marshall et al. 2003). Table 2 illustrates the success factors of the highest, second and third level of importance.

Table 2 Sales managers' importance ratings of success factors for professional salespeople (adapted from Marshall et al. 2003, 251)

<i>Success factors</i>	<i>Mean</i>
<b><i>Highest level of importance</i></b>	
Listening skills	6.502
Follow-up skills	6.358
Ability to adapt sales style from situation to situation	6.321
Tenacity – sticking with a task	6.107
Well-organized	6.084
Verbal communication skills	6.047
Proficiency in interacting with people at all levels of a customer's organization	6.000
<b><i>Second level of importance</i></b>	
Demonstrating ability to overcome objections	5.981
Closing skills	5.944
Personal planning and time management skills	5.944
Proficiency in interacting with people at all levels of one's organization	5.912
Negotiation skills	5.827
Dresses in appropriate attire	5.791
Empathy with customer	5.723
Planning skills	5.685
Prospecting skills	5.673
Creativity	5.670
Ability to empathize with others	5.549
Skills preparing for a sales visit	5.526
Decision-making ability	5.502
<b><i>Third level of importance</i></b>	
Evidence of working through unexpected problems	5.467
Ability to interpret customers' body language	5.447
Previous customer contact experience	5.432
Displays appropriate body language	5.419
Written communication skills	5.405
Effective use of data in presentations	5.359
Patience	5.186
Good sense of humor	5.158
Leadership skills	5.149
Ability to communicate technical product information	5.146
History of past sales successes	5.038

Six of the seven items in the highest level of importance category can be broadly categorized as interpersonal skills: listening skills, adaptability skills, tenacity-sticking with a task, well-organized, verbal communication and proficiency in interacting with different people in customers' organizations. Second, most highly-ranked follow-up skills refer to emphasizing the maintenance of customer relationships. The second level of importance category represent mostly traditional salesmanship or selling process skills: overcoming objections, closing skills, negotiating skills, prospecting skills and skills in preparing a sales visit. Empathy refers to relationship building. Personal planning and time management skills and decision-making skills refer to the salesperson's effectiveness. The third level of importance category represents mostly interaction and communication skills. Customer and product knowledge were not ranked highly while proficiency in interacting with people was highlighted by sales managers. Marshall et al. (2003) suggest that findings show clearly the importance of all elements of the traditional 'seven steps of selling' model. However, most of the research concerning sales process steps and skills were conducted before 1990, and there is a need to update the content of skills to match the demands of the relationship-selling era and the changing role of salespeople.

### *2.2.1 Knowledge*

At the firm level, knowledge management competence is defined as 'a firm's ability to develop, disseminate, and apply knowledge' (Arnett & Badrinarayanan 2005). This definition does not specify the roles of the supply chain members in knowledge creation, while Rosenzweig and Roth (2007) have introduced 'knowledge channels (KC)' competence from a supply chain perspective, suggesting both cross-organizational integration for creating informal and formal connections and a deep integration with partners to facilitate information and expertise sharing. Knowledge competence at the firm's level frames the knowledge competence at the individual's level.

Technical knowledge skills by Rentz et al. (2002) describe the knowledge skills at a salesperson level. They divide knowledge skills into product knowledge, customer knowledge and competition knowledge. Salespeople should know the products, their company, the customer and the customer's market. Knowledge enables them to build self-confidence, to win a customer's trust, and to satisfy a customer's needs. Knowledge assists them also in adapting their selling style to customers and sales situations (Manning et al. 2012, 123; Weitz et al. 2009, 153).

The most common product information categories are product development and quality issues, production methods and capacities, product specifications and performance, maintenance and services provided with the product, and commercial terms. Salespeople also need overall expertise on how business operates. They have to be able to compare their own product with the competitors' products if the customer so requests it (Manning et al. 2012, 156; Weitz et al. 2009, 153–154). With customer knowledge, it is possible to manage how organizations make buying decisions, who in the company is participating in the purchasing process, what the steps in the organizational buying process are and what the different types of buying situations and buying criteria are. Customer knowledge enables the salesperson to understand differences between transactional buyers, consultative buyers and long-term relationship or partnering buyers (Manning et al. 2012, 193).

Knowledge has become an essential part of value creation (Verbeke et al. 2011). Innovations, production and selling and marketing provide large amounts of knowledge for managing. The role of the salesperson has a new dimension, and salespeople are expected to act as 'knowledge brokers', giving technical knowledge to customers. Reid et al. (1997) categorizes salespeople's information handling skills as getting, using and giving information, and they suggest that that ability to use customer information is the most important one for the salesperson, while getting and giving information follows in its importance for the buyers.

In addition, customers know the market much better than before due to the Internet and digitized information (Verbeke et al. 2011). According to the findings of a CEB study (2012), among decision-makers and influencers of large B2B organizations, the average customer had completed nearly 60 percent of the decision-making process before contacting the supplier or a salesperson. The digital evolution thus provides that salespeople take on the role of proactive knowledge brokers.

The first step in learning to interact successfully with buyers from foreign cultures is basically to become aware of the potential significance of cultural differences. Suppliers and salespeople in countries characterized by high context cultures, such as China, Japan, India, Brazil and Mexico, should develop close interpersonal relationships with their customers while the role of interpersonal relationships in the Western world characterized by low context cultures is smaller (Iyer, Sharma & Evanschitzky 2006). However, despite the globalization of firms, studies on the competencies of how cross-cultural sales relationships are best managed are scarce (Hansen et al. 2011).

There are several classifications of cultures. Although they simplify the reality, they are a useful tool to understand cultural differences. Lewis' model, as an applicable example, classifies cultures into linear-active, multi-active

and reactive cultures. Linear-active cultures demonstrate task orientation while multi-active cultures are more extroverts, and reactive cultures are people-oriented but dominate with knowledge, patience and quiet control (Gates, Lewis, Bairatchnyi & Brown 2009).

### 2.2.2 *Salesmanship skills*

The selling process and selling techniques have been the most common research topic in the sales field, the goal being to improve the effectiveness of buyer-seller interaction at the individual level (Williams and Plouffe 2007). From the viewpoint of this study, selling process research is important because traditionally salesmanship skills have been examined intertwined with sales process skills. However, selling process research has focused on salespeople and the sales management and neglected the viewpoints of buyers.

Personal selling process (PSP), according to Dubinsky (1980/1981), consists of seven steps a salesperson may go through when selling and closing a sale. A salesperson can use several selling techniques for each step. The selection of an appropriate technique depends on the product being sold, i.e. whether a product or service. It depends also on the customer type, i.e. whether a consumer or industrial customer, a reseller or an end user. The model was developed based on a sample of 181 salespeople representing 15 industries.

The traditional ‘seven steps of selling’ is one of the oldest paradigms in the sales discipline. For more than 80 years, the steps excluding step 7, follow-up, have practically been the same. These steps have been the basis of sales training, reflected by the fact that the structure of most sales textbooks today is based on this model (Moncrief & Marshall 2005). The model consists of the following stages: (1) prospecting, (2) pre-approach, (3) approach, (4) presentation, (5) overcoming objections, (6) close, and (7) follow-up. Moncrief and Marshall, state that Dubinsky (1980/1981) modernized the ‘seven steps of selling’ and since then, selling has occupied the position of a professional discipline.

Salesmanship skills are required to manage the selling process. In most cases, regardless of the selling model (transactional, consultative, solution, relationship), the selling process includes the following steps: pre-approach, approach, discovering needs, making the presentation, responding to objections, obtaining commitment and follow-up. Before the steps mentioned are undertaken, the salesperson has conducted the prospecting step, which means locating and qualifying the potentiality of a customer. (cf. Manning et al. 2012; Moncrief & Marshall, 2005; Weitz et al. 2009.)

Pre-approaching means planning and preparation the sales visit and provides planning skills from the salesperson. It saves both the customer's and the salesperson's time. Every sales visit practically provides a pre-approach stage. Thanks to planning, the salesperson can increase the dependability and decrease the stress. The main stages of pre-approaching are information gathering about the customer and the company, setting objectives for the visit and making an appointment. (cf. Manning et al. 2012; Moncrief & Marshall 2005; Weitz et al. 2009.)

A successful approach or opening provides that the salesperson should create a good impression during the sales meeting. The salesperson should open the meeting in a way that matches the personality type of the customer. An important issue is to build rapport with the customer and a nice and friendly atmosphere for the whole conversation. The approach consists of small talk, a handshake and making eye contact. There are many approaches a salesperson can employ when opening a meeting, e.g. the introductory approach, the product approach, the customer-benefit approach, the referral approach and the consultative approach. (cf. Manning et al. 2012; Moncrief & Marshall 2005; Weitz et al. 2009.)

Need identification is a very critical step of the whole selling process. A successful solution configuration is not possible if the salesperson fails to listen to the customer and recognize the needs or problems. It requires managing different questioning techniques (cf. Manning et al. 2012; Moncrief & Marshall, 2005; Weitz et al. 2009). Tuli et al. (2007) found that customers are not always fully aware of their needs. Therefore, it is important that a salesperson ask the right questions, not only from the buyer but also other stakeholders, in order to find the explicit and implicit needs of the customer company. Needs identification should not only focus on product specification but should also cover the customer's business needs from a broader perspective. Defining future needs is also important to meeting changing and evolving customer needs.

Presentation is an essential part of the sales visit. This step may consist of one presentation or several presentations in connection with sequential sales visits and is undertaken by the salesperson or the sales team. Making the presentation provides the salesperson with a good strategy on how to effectively communicate a solution for the customer's needs or problems. The salesperson's task is to change the features of the product into benefits that are appreciated by the customer and solving the problem or meeting the buying criteria. The customer buys benefits instead of features. The salesperson can strengthen the presentation, including the selling points and attributes, by quantifying his or her solution or showing the added value. Cost-benefit analysis, return-on-investment calculations and payback period calculations

are tools for this purpose. (cf. Manning et al. 2012; Moncrief & Marshall 2005; Weitz et al. 2009.)

Overcoming or handling objections means that the salesperson responds to all questions the customer is presenting or negotiates on them. The customer may ask questions at any time during the sales meetings and before or after the meetings also. Questions may concern several issues: timing, the salesperson, the company, the product, pricing and delivery terms, after sales services, etc. From the buyer's point of view, the questions are all relevant and need to be clarified by the salesperson. The salesperson can prepare the customer's questions in advance. There are effective methods on how to handle the questions or objections. To be successful, the salesperson has to have good negotiating skills. (cf. Manning et al. 2012; Moncrief & Marshall, 2005; Weitz et al. 2009.)

Obtaining commitment (i.e. closing) is a crucial step for the customer, the selling company, and the salesperson. For several reasons, it is not possible or even meaningful to close the deal in every meeting. But getting some commitment or agreeing on the next step is essential. Without any commitment, the meeting has been a waste of time. The salesperson can use different closing methods depending on the situation and on the buyer to close the deal or to get a commitment. High pressure closing should be avoided in B2B business because professional buyers want to make purchasing decisions without any manipulation of salespeople. Getting commitment should ideally be a logical progression of the effective antecedent sales process. (cf. Manning et al. 2012; Moncrief & Marshall, 2005; Weitz et al. 2009.)

Follow-up is a more recent addition to the selling process that is attributed to the relationship orientation. Follow-up as the sales process step means maintaining and developing a relationship with the customer. It consists of securing customer satisfaction, maintaining continuous contact, managing conflicts and complaints, and monitoring and controlling deliveries. It also includes expanding and developing the relationship. (cf. Manning et al. 2012; Moncrief & Marshall 2005; Weitz et al. 2009.)

As a result of changes in the selling environment, such as changes in information technology, the increased strategic role of selling within companies, team-based selling and increased access to knowledge by buyers, the traditional seven steps of selling started to evolve in the 1990s and 2000s, affecting salespeople's selling skill requirements. The traditional sequential selling process has changed to the direction of a non-sequential selling process (Moncrief & Marshall 2005). Table 3 describes the transformative factors of each step and the evolved process.

Table 3 Evolution of the seven steps of selling (adapted from Moncrief & Marshall 2005, 16)

<i>Traditional seven steps of selling</i>	<i>Transformative factors</i>	<i>Evolved selling process</i>
Prospecting	Telemarketing, Internet selling, organizational prospecting	Customer retention and deletion
Pre-approach	Laptop account data, support staff	Database and knowledge management
Approach	Build a foundation	Nurturing the relationship
Presentation	PowerPoint, listening, team selling, multiple visits, value-added	Marketing the product
Overcoming objections	Predetermining needs	Problem solving
Closing	Identifying mutual goals	Adding value/satisfying needs
Follow-up	Increased effectiveness of communication through technology	Customer relationship maintenance

The new technology of Internet, customer relationship management (CRM) applications and telemarketing opportunities have freed the salesperson from having to prospect for new customers to focusing on customer value analysis, including customer retention. Modern database and knowledge management systems have replaced the traditional pre-approach techniques (Moncrief & Marshall 2005). The focus today is on building the relationship boosted by relationship selling, consultation and the problem-solving selling mode. In the era of relationship selling, follow-up consists of continual service and contacting, securing customer satisfaction and finding new business opportunities (Moncrief & Marshall 2005).

The traditional and rigid seven steps model of selling has lost much of its power and become even old-fashioned for many or most companies due to the relational approach to selling (Moncrief & Marshall 2005; Storbacka et al. 2009). Companies whose focus is not on repeat sales still employ the seven steps of selling. In particular, the introduction of account management approaches relating to delivering customer value have removed the fixed start or end point in the sales process, and sales in general has become cross-functional and strategic in nature (Storbacka et al. 2009).

The application of a consultative selling process, consisting of problem identification, solution presentation and continued customer support removes the traditional seven steps of selling from the field (Sheth & Sharma 2008). Customers expect customized solutions and a wide range of after-sales services, and the salesperson must be prepared to present the added value of



the product and, moreover, to convince the buyer. In order to show an up-to-date image of the field, sales literature should put more focus on today's customer-centric and solution-oriented selling activity (Bonny & Williams 2009). Instead of a customized, integrated bundle of goods and services, customers tend to view the solution as relational processes between the customer and the supplier, encompassing a customer requirement definition, customization and integration of goods or services, deployment and support after the deployment (Tuli et al. 2007).

### 2.2.3 *Interpersonal skills*

The customer-salesperson interaction communication perspective is well accepted today. Traditionally, the actual communication between the buyer and salesperson was described as interaction, transaction or negotiation, but interaction as a concept in sales research has not been well defined (Williams & Spiro 1985). Interactions are associated with moments of truth (e.g. Dampérat & Jolibert 2009). Interaction may cover the whole selling process, from the opening of the sales meeting and making sales or discontinuing the negotiations, from one face-to-face encounter to several sequential encounters (Jokiniemi 2014; Weitz 1981). Business relationships or dyads are assumed to develop as a result of interpersonal communication (Olkkonen, Tikkanen & Alajoutsijärvi 2000). Olkkonen, Tikkanen and Alajoutsijärvi suggest that interpersonal communication is an essential part of the interaction process between organizations. Anderson and Narus (1990) define communication as 'formal as well as informal sharing of meaningful and timely information between firms'. They emphasise the effectiveness of information exchange rather than the quantity of information exchange. For Rentz et al. (2002), good interpersonal skills underline the importance of understanding nonverbal communication, speaking skills and controlling emotions.

Relational communication traits encompassing communication apprehension and interaction involvement have an impact on salespeople's adaptiveness and sales performance (Boorum, Goolsby & Ramsey 1998). Communication apprehension (CA) is defined as 'an individual's level of fear or anxiety associated with either real or anticipated communication with another person or persons'<sup>7</sup>. Communication competence (CC) determines the effectiveness of the interaction. Interaction involvement (II) is one dimension of CC and relates to a salesperson's ability to communicate effectively with the buyer, and this consists of three dimensions: attentiveness, perceptiveness and

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<sup>7</sup> Source for communication apprehension: McCroskey, 1984.

responsiveness. Attentiveness means that a salesperson uses listening skills and observes nonverbal cues when receiving information from the buyer. Perceptiveness is related to the ability to interpret the meaning and goals of conversation. Responsiveness includes the ability to formulate and present messages effectively. The findings of Boorum, Goolsby and Ramsey's study suggest that salespeople who are free of communication apprehension are more highly involved in communication interactions, resulting in increased adaptiveness and sales performance.

There is also a tight relationship between trust building, long-term relationships and communication (Olkkonen et al. 2000; Weitz et al. 2009). Weitz et al. (2009) emphasize that trust and successful relationships provide open and honest communication. A mutual understanding is possible when both the salesperson and the buyer are actively talking and listening when communicating with each other. Castleberry and Shepherd (1993) define interpersonal listening in the personal selling context as 'the cognitive process of actively sensing, interpreting, evaluating and responding to the verbal and nonverbal messages of present and potential customer'. The two-way communications process means that both the salesperson and the buyer are sending, coding and decoding messages. Both parties act as a sender and a receiver when interacting. The information flow occurs in two-way direction. Effective communication may suffer due to poor coding, decoding and noise. Salespeople must carefully use words and expressions and articulate clearly to be understood by the customer. Active listening skills are a useful communication tool for the salesperson, and include repeating, restating, summarizing and clarifying what the customer is saying. Recognizing nonverbal messages the customer is sending is important, too. (Weitz et al. 2009, 124, 143–144.) Castleberry and Shepherd (1993) emphasize that to practice adaptive behavior properly, a salesperson first has to listen to the customer effectively and understand their beliefs and values. Effective listening skills and practicing adaptive selling are positively related to sales performance.

Salespeople's communication, behavioral or social style has an effect on sales performance (cf. Manning et al. 2012; Weitz et al. 2009; Williams & Spiro 1985). In their conceptual framework of the relationship between customer-salesperson communication styles and sales, William and Spiro (1985) defined communication style as being three dimensional:<sup>8</sup> (1) a task orientation, (2) a self-orientation (3) and an interaction orientation. The study's findings suggest that communication styles are determinants of successful sales interactions, but communication style should be considered as one of the behavioral dimensions that have an effect on sales outcomes.

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<sup>8</sup> The original model of buyer-seller interaction has been defined by Sheth (1976).

According to Manning et al. (2012, 106–108), communication style models are based on two central dimensions of human behavior: dominance and the sociability of a person. Dominance means the tendency to control or win over others, while sociability means the tendency to seek and enjoy interaction with others. By combining these two dimensions, the four basic communication styles can be defined: emotive style, directive style, reflective style and supportive style (Manning et al. 2012, 108–112). When using this communication style classification method in a proper way, a salesperson can avoid communication mistakes and adapt to the counter partner's style when interacting with the customers (cf. Weitz et al. 2009, 164). The basic idea is that a salesperson first recognizes their own communication style and then the customer's style, and adapts their style to the customer's style. There are several training programs that employ the four basic communications styles: Wilson Learning, Stuart Atkinson Inc., People Smart, Personal Profile System, and DiSC Behavioral Style (Manning et al. 2012, 114).

The DiSC model consists of dominance (D), influence (I), steadiness (S), and conscientiousness (C) dimensions. Salespeople, confident in their selling skills, are convinced that they know the right thing to do in different selling situations, are experts in finding out customers' needs and problems, get others to see their viewpoint easily, possess a salesperson-like nature, have no difficulty influencing or convincing others and manage the selling tasks (Wakefield 2009). Table 4 ranks the responses of professional residential real estate salespeople concerning the behavioral traits most and least associated with selling confidence. These characteristics describe people possessing an ability to sell and those who have the least confidence in their selling skills.

Table 4 Behavioral traits most and least associated with selling confidence (adapted from Wakefield 2009)

<i>Rank</i>	<i>Behavioral traits most associated with selling confidence</i>	<i>Dimension</i>
1	Very sure of self	D
2	Persuasive	I
3	Enjoy competition	D
4	Has a lot of energy and vigor	D
5	Decisive	D
6	A risk taker	D
7	Self-confident	I
8	Convincing	I
9	Enjoys taking a chance	D
10	Assertive	D
	<i>Behavioral traits least associated with selling confidence</i>	
1	A moderate rather than extreme person	S
2	Modest	C
3	Doesn't like arguments	C
4	Tolerant	C
5	Rather a shy person	C
6	Calm	S
7	Cautious	C
8	Controlled	S
9	Gentle	S
10	Is a sensitive person	S

Table 4 shows that the behaviors most related to selling confidence are dominance traits (7) and influence traits (3). The strongest negative correlation with selling confidence consists of steadiness (5) and conscientiousness (5) traits. Wakefield (2009) found in their further studies among professional salespeople and sales managers that there was a strong correlation between salespeople's confidence in their selling skills and top sales performance. The behavioral traits of top performers were very likely to be high dominance and high influence. It is crucial to note that salespeople possessing a high portion of steadiness and compliance traits can also perform well at sales. In particular, in the consultative selling and solution selling context, industrial salespeople should possess emotional stability and introversion instead of charisma and push (Sheth & Sharma 2008; Ulaga & Loveland 2014). The combination of an individual's two highest behavioral traits also influences performance. For example, a salesperson with high dominance and influence was very evidently a top performer in sales. Table 4, 'traits most associated with selling', does not describe desired behavioral traits of a salesperson in B2B contexts, but is an example of traits of top-performers in the real estate context.

One way to classify buyer types is based on employing two axes: strategic thinking comprises long-term orientation and commercial content comprises buyers' understanding and using the new purchasing tools in their daily work (Cheverton & van der Velde 2011, 71). When placing the buyers into the matrix, four profiles can be distinguished: (1) technician, (2) calculator, (3) emotional buyer and (4) convincer. Emotional buyers work through threats, use power, are price-focused and their strategy is not aligned with the company strategy. The calculators are silent and listen carefully, share information and control emotions, and the negotiations are based on facts. The convincers are talkative, trust in their market knowledge and focus on commercial trading. They use salespeople as sources of market knowledge, disseminate knowledge easily to other suppliers and like contracting and dealing. The technicians focus on the technical details of the products, and show their technical knowledge. They are well organized, proceed according to the book, and are relationship oriented. These four types are archetypes, not existing in real life as such. All buyers are mixtures of these attributes. However, one's natural behavior style will be more linked with one of the generic styles compared to the other three types (Cheverton & van der Velde 2011, 72–76.) When salespeople recognize the buyer's style, they can more successfully interact with the buyer.

Communication in the marketing field has substantially been researched, while communication and communication preferences in buyer-seller relationships during the sales process have received limited attention (Cano et al. 2005). Cano et al. found that buyers and salespeople prefer face-to-face and telephone communication over other media. Additionally, computer-mediated communications, such as e-mail and other electronic information exchange, are important as low-cost media. When searching for suppliers, buyers prefer rich communication, such as face-to-face encounters, while in the prospecting stage, salespeople prefer less rich communication media, such as the Internet. When analyzing proposals, buyers prefer leaner communication and salespeople prefer richer communication, that is, face-to-face communication. For conducting an effective sales process, salespeople should align with buyers' communications preferences.

The role of emotional ability in personal selling is scarcely researched, although emotion has been identified as a key factor in buyer-seller interaction. The salesperson's emotional ability facilitates the successful employment of adaptive selling and customer-oriented selling, while the lack of emotional ability does not only limit the employment of customer-oriented selling, but also reduces sales performance (Kidwell, McFarland & Avila 2007). Emotional intelligence (EI) traditionally is associated with proficiency in interpersonal skills areas, such as self-awareness, self-regulation, self-motivation,

social awareness and social skills, but it has also an impact on success in the sales profession (Manna & Smith 2004). A salesperson's ability to affect others with their emotions is an asset for communication, and being sensitive or empathetic to the emotions of others may also lead to better performance (Verbeke 1997). Emotional intelligence is a relatively stable construct, and cultural factors do not seem to influence emotional intelligence (Pettijohn, Rozell & Newman 2010).

In the field of selling, the value of interpersonal skills is well accepted (cf. Rentz et al. 2002), while the concept of interpersonal skills is sporadic and seemingly conflicting (Borg & Johnston 2013). Firstly, the definition of interpersonal skills by Ford et al. (1987) – 'knowing how to cope with and resolve the conflict' – is difficult to understand. Secondly, Rentz et al. (2002) state that an abundant number of skills can be included in the category of interpersonal skills. Thirdly, interpersonal skills encompass manners and communication skills (Anselmi & Zemanek 1997). In my empirical study, I divide interpersonal skills into communication and interaction skills. As to the communication, I focus on information sharing-related skills, and, as to the interaction I underline skills boosting, such as coping and getting along with the buyer. Relational selling behaviors, the topic of the next chapter, are dependent on a salesperson's interpersonal skills level to some extent (Borg & Johnston 2013).

### 2.3 Relationship selling competence

In this chapter, relationship selling competencies have been explored from the viewpoint of relational competence, skills and behaviors through the existing literature, the main concepts in the discipline and studies within the relationship selling setting. The relationship selling approach (model or mode) describes how salespeople implement the relationship marketing concept into the practice. Derived from the definition of relationship marketing, the concept of relationship selling for this study is defined as initiating, maintaining and developing relationships between buyers and sellers. In addition, other personal selling approaches related to relational behaviors, such as customer oriented, adaptive, consultative, problem-solving, solution selling, and value selling, are also discussed.

### 2.3.1 *Relational competence, skills and behaviors*

Traditionally, the marketing literature had adopted a transactional orientation in exchange, and personal selling has been examined from the transaction orientation perspective (Davies, Ryals & Holt 2010; Sharma & Pillai 2003). Transactional relationships consist of single relationships that are independent of all other transactions, are discrete and are short-term exchange transactions with a distinct beginning and ending, excluding relational elements, while the price normally plays an essential role (Dwyer, Schurr & Oh 1987; Gundlach & Murphy 1993; Webster 1992). Both buyers and salespeople make only small investments in transactional exchanges, switching costs are low and buyer-seller goals are sometimes in contradiction (Sheth & Shah, 2003). The product or service is seen as a commodity excluding branding and differentiation, and salespeople are in a 'selling mode', trying to convince potential customers to purchase standardized products without understanding the customer (Frankwick, Porter & Crosby 2001; Weitz & Bradford 1999). Essential to every market exchange, including short-lived relationships, is that value is given and received, i.e. each side of the relational dyad gives something in return for a benefit or payoff, and the exchange is seen as a zero-sum game where terms and conditions are defined under tough negotiations (Day 2000). In the industrial selling context, transactional selling plays a minor role because it creates one-time value while customers prefer long-term value.

On the other hand, relationship selling stresses the initiation, development and maintenance of long-term, mutually satisfying buyer-seller relationships (Frankwick et al. 2001; Gonzales, Hoffmann & Ingram 2005; Jolson 1997; Moncrief & Marshall 2005; Weitz & Bradford 1999). It further underlines customer-orientation, trust building between the buyer and the seller, customer value creation and alignment of the offering with the customer's strategy (Schwepker 2003). In a relationship selling context, the task of the salesperson is to establish a relationship and to create a long-term commitment, that is, to conduct the customer through the different stages of the relationship development process (Biong & Selnes 1995). Through relational or relationship selling behaviors, salespeople manage and develop buyer-seller relationships (Crosby et al. 1990).

Salespeople's sales performance has traditionally been evaluated through outcome measures (e.g. sales revenue, market share and profit). Building and developing relationships requires different skills and abilities from traditional selling skills. In a relationship selling context, salespeople's performance measures should relate to their skills and abilities to continue the relationship, to renew the contract, to share market knowledge and to propose integrative

solutions to customer problems (Biong & Selnes 1995; Hunter & Perreault 2007).

In sales literature, relational behaviors are understudied (Biong & Selnes 1995). Actually, there is no commonly-accepted interpretation of relational selling behaviors (Guenzi, Pardo & Georges 2007). In contrast, Carter, Murray and Gray (2011) and Weitz and Bradford (1999) have examined the theory of relational competence developed by Hansson, Jones and Carpenter (1984)<sup>9</sup>, Carpenter (1993)<sup>10</sup>, and Hansson and Carpenter (1994)<sup>11</sup> in social psychology. ‘Interpersonal, relational competence’ theory suggests that through their interpersonal characteristics, individuals can significantly initiate and strengthen long-term interpersonal relationships. Hansson, Jones and Carpenter (Weitz & Bradford, 1999) have defined relational competence as the ‘characteristics of the individual that facilitate the acquisition, development, and maintenance of mutually satisfying [interpersonal] relationships’.

Relational competence, according to Carpenter (1993), consists of two components: (1) initiation and (2) enhancement. Initiation provides skills to initiate and control the relationship-relevant attributes, which are self-confidence, assertiveness, social interest, communication skills and likeability. Enhancement through the maintenance of relationships provides skills related to the partnering role, such as intimacy, trusting, interpersonal sensitivity, altruism and perspective taking or understanding and appreciating others (Carter et al. 2011; Weitz & Bradford 1999). Figure 4 illustrates the components of the relational competence model.

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<sup>9</sup> Hansson, R., Jones, W. and Carpenter, P. (1984), Relational Competency and Social Support. In *Review of Personality and Social Psychology*, Vol. 5, Emotions, Relationships, and Health. Ed. P. Shaver. Sage: Beverly Hills, CA.

<sup>10</sup> Carpenter, B. (1993) Relational Competence. In *Advances in Personal Relationships*, Vol. 4, (1–28). Eds. Perlman, D. and Jones, W., Jessica Kingsley: London

<sup>11</sup> Hansson, R. and Carpenter, B. (1994) *Relationships in old age: Coping with the challenge of transition*, The Guilford Press: New York.



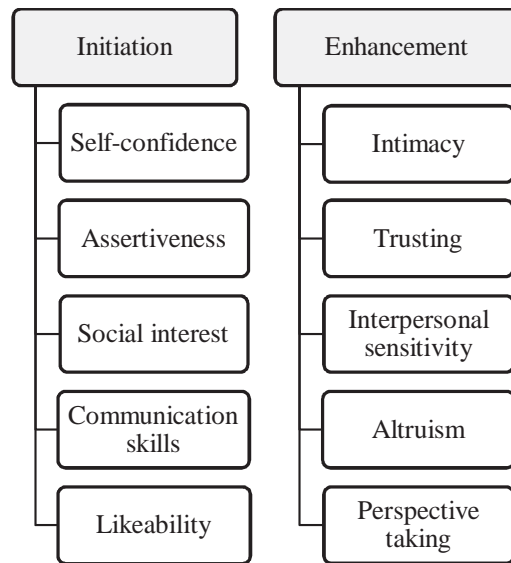


Figure 4 Relational competence model (modified from Carter et al. 2011, original source, Carpenter 1993)

The above relational competence model serves to provide an understanding of the relational behaviors required from the salesperson in the relationship selling context. The same or equivalent concepts show up also in the relationship selling literature.

According to the seminal article by Crosby et al. (1990), relational selling behaviors consist of high-contact intensity, mutual disclosure and cooperative intentions. A relationally behaving salesperson keeps in contact with the customer on a relatively frequent basis through staying in touch, checking periodically the customer's needs, confirming purchase orders, and sending cards and delivering gifts to the buyer. A relationally behaving salesperson is more likely to be successful at getting customer disclosure of personal and needs-related information in a reciprocal way. They also express to the customer cooperative intentions that have been linked to perception of trust and satisfaction in a negotiating setting. The salesperson can build and maintain a relationship with the customer through fostering a long-term perspective, being honest and sincere, understanding customers' needs and problems, meeting commitments and providing after-sales service (Tanner, Honeycutt & Erffmeyer 2009, 104).

Regarding relational selling behavior and skills, Biong and Selnes (1995) suggested that the following variables are involved: communication, conflict handling, personal similarity, sales aggressiveness and control. As the relationship develops between the parties, the need for open communication increases

in the form of production schedules, sales forecasts, prices, calculations, technical issues and changes in products and production methods. Conflicts should be solved by salespeople before they emerge in the open. The number of potential conflicts also increases as the relationship develops and transactions increase. Personal similarity is claimed to solve disagreements easier, to reduce communication barriers and to create trust, which, in turn, reduces risk and contributes to the relationship. Aggressive sales behavior is associated with 'foot-in-the-door' sales behavior. Such behavior could be effective in the short term, but may degrade the long-term relationship (Weitz 1981). Control is defined by the extent to which the salesperson controls the sales interaction (Weitz 1981). Control can harm the relationship due to the lack of goal congruence (Biong & Selnes 1995). The results of the research suggest that communication and conflict handling have a universally positive impact on relationship continuity. Personal similarity is most effective in low-dependence relationships, and the negative effects of aggressive selling are less in high dependence relationships. The effect of control behavior was not significant (Biong & Selnes 1995).

Relationship quality is one of the key concepts within the relationship marketing paradigm (e.g. Holmlund 2008). Salespeople's role is pivotal in building and maintaining the relationship, and the consequences of failing to maintain it are catastrophic (Weitz et al. 2009, 8). For these reasons, salespeople's behavior in developing and maintain the relationship quality is critical (Chakrabarty, Brown & Widing II 2013). Examining relationship quality factors increases the understanding of the relational behaviors required of the salesperson. From the customer's viewpoint, the relationship quality is high when the customer can rely on the salesperson's integrity and can also rely on the salesperson in the long-term (Crosby et al. 1990). Crosby et al. defined relationship quality as a higher-order construct composed of trust in the salesperson and satisfaction with the salesperson. The antecedents of relationship quality are customer-salesperson similarity, salesperson expertise and the use of relational selling behavior (contact intensity, mutual disclosure and cooperative intentions). Both the salesperson's perceived expertise (e.g. product and market knowledge and consultative ability) and use of relational selling behaviors were found to increase relationship quality. Relationship quality has a positive impact then on the customer's intention to have future interactions.

There is a rich body of relationship quality (RQ) literature. Most RQ research focuses on business-to-business relationships from the customer perspective and analyzes either the US or European markets but excludes any cross-country comparisons. In spite of a large body of research, the relationship quality concept itself is still under-explored and there is no formal

definition for RQ (Athanasopoulou 2009; Holmlund 2008). The term RQ, as used in buyer-seller literature, is taken for granted, although only few practitioners and scholars share a common definition or measure, and a systematic theory is missing (Huntley 2006). However, the antecedents of RQ, although used widely, vary in all studies. Similarly, salesperson expertise, relational-selling behavior, relationship length and communication quality are the most used antecedents, while efficiency, performance, and relationship-related variables are the most used variables to measure the consequences of RQ (Athanasopoulou 2009). Trust, commitment and satisfaction are the three dimensions used in many studies and are validated in different contexts. Studies of cultural, international and environmental factors related to RQ are limited or scarce. Based on the review and its conclusions, ten dimensions of RQ have been suggested by Athanasopoulou: trust, commitment, customer satisfaction, conflict, cooperation, opportunism, power, adaptation atmosphere and bonds. It has been claimed that these RQ dimensions can be used in all contexts.

In most studies, relational antecedents and outcomes have dominated relationship quality conceptualizations while the economic roots of the relationships have received less attention in these conceptualizations. However, customer executives take a pragmatic approach to relationship quality, and the quality of the relationship cannot be determined only by commitment and trust (Huntley 2006). Huntley points out that the relationship quality construct must be complete and includes both economic and social components. Based on the study of German purchasing managers, Walter, Müller, Helfert and Ritter (2003) suggest that four main dimensions can be regarded as antecedents for relationship quality: (1) cost function, (2) quality function, (3) volume function and (4) safeguard function. Also Holmlund (2008) emphasizes the importance of the economic dimension of perceived relationship quality (PRQ) when establishing business relationships. Huntley (2006) defines relationship quality in the business-to-business context as: 'the degree to which buyers are satisfied over time with the overall relationship as manifested in product quality, service quality, and price paid for the value received and the degree to which the relationship functions as a partnership'. The study revealed a strong goal congruity, indicating that customers value common goals. It notes how salespeople are able to demonstrate how their solutions can support buyers' goal achievement.

Trust created through interpersonal relationships has been verified to be a key variable in enduring long-term, business-to-business relationships (Doney & Cannon, 1997; Dwyer et al. 1987; Grönroos 1994; Jolson 1997; Morgan & Hunt, 1994). Moorman, Deshpandé and Zaltman (1993) define trust 'as a willingness to rely on an exchange partner in whom one has confidence'. Accordingly, Morgan and Hunt (1994) conceptualize trust as 'existing when

one party has confidence in an exchange partner's reliability and integrity' and is associated with qualities like consistency, competence, honesty, fairness, responsibility, helpfulness and benevolence. The relationship literature considers equity as a key component in developing strong relationships (e.g. Gundlach & Murphy 1993). Customers trust more suppliers who treat them equitably (Anderson & Weitz 1992). Boles et al. (2000) extended the conceptualization of relationship quality by Crosby et al. (1990) in the business-to-business context. They included 'equity' as a new antecedent of relationship quality. In relational selling context, trust has been defined as 'a confident belief that the salesperson can be relied upon to behave in such a manner that long-term interest of the customer will be served' (Crosby et al. 1990). Expertise and communication are the most effective relationship-building strategies, but relationship investments and interaction frequency are more effective strategies for building trust (Palmatier et al. 2006). Customer orientation, salespeople's competence or expertise, honesty, dependability or doing what you say you will do, and customer compatibility or personal dynamics between buyers and sellers have been determined as salespeople's trust-building behaviors (Ingram et al. 2009, 27; Weitz & Bradford 1999). Especially when interdependence is high, trust has a positive effect on relationship performance outcomes (Katsikeas, Skarmeas & Bello 2009). The buyer's trust in the salesperson is the only variable that directly reduces the customer's perception of available alternatives where no significant link between satisfaction and commitment can be found (Friend et al. 2011). Friend et al. suggest that within a multisource setting, salespeople should concentrate on showing the buyer that they are reliable.

The relationship marketing literature emphasizes the importance of the continuity of the relationship. 'Continuity' means the willingness of parties to prolong the cooperation (Anderson & Weitz 1989; Biong & Selnes 1995). The concept of 'continuity' relates to the concept of 'commitment'. Trust influences relationship commitment and is a major determinant of relationship commitment (Dwyer et al. 1987; Morgan & Hunt, 1994). Morgan and Hunt (1994) define commitment as 'an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it'. Commitment is a pledge of continuity between buyers and sellers, and it consists of three measurable dimensions: inputs, durability and consistency (Dwyer et al. 1987). Unlike Ingram et al. (2009, 27), Palmatier et al. (2006) consider that similarity to customers (customer compatibility) is a more effective strategy for increasing customer commitment than for building trust. There is also a direct link between commitment and performance in cross-cultural relationships, but limited attention has been paid to the role of

commitment in international buyer-seller relationships (Skarmeas, Katsikeas & Schlegelmilch 2002).

In the management literature, customer intimacy is a strategy to customize products and services to fit the customer by combining detailed customer knowledge with operational flexibility to respond quickly to customer requests (Treacy & Wiersema 1993). Customer intimacy in personal relations is defined as 'a customer's perception of having a very close and valuable relationship with a supplier, characterized by high levels of mutual understanding' (Brock & Zhou, 2012). Brock and Zhou suggest that customer intimacy refers to qualitative aspects of a trusted relationship, that is, closeness, value perception and mutual understanding. Customer intimacy has been modelled as a third dimension of relationship quality beside trust and commitment. Customer knowledge has been defined as an antecedent for customer intimacy as outcomes have been determined by word-of-mouth, loyalty/repurchase intentions, information sharing, availability and advisor status. Availability refers to the availability of the buyer when the salesperson is contacting them. Advisor status refers to the role of a supplier as a trusted advisor when the customer proactively asks the supplier for advice before making further decisions. Customer intimacy is proposed as a relationship management tool for salespeople.

The existing relationship marketing literature widely emphasizes the importance of interpersonal relationships (Wathne, Biong & Heide, 2001). Good interpersonal relationships between customers and suppliers serve also as a switching barrier. However, the type of industry and type of product are decisive for the need for interpersonal relationships. Industrial suppliers can strengthen marketing performance through improving processes, products and services because developing interpersonal relationships is expensive due to the need for continuous face-to-face communications (Iyer et al. 2006).

Boles, Barksdale and Johnson (1996) conducted research among industrial buyers regarding what salespeople can do to form relationships. The eight response categories were developed: (1) long-term perspective, (2) honesty, (3) post-sales support, (4) creative problem solving, (5) understand customer needs, (6) know your product, (7) understand your customer business, and (8) always meet commitments. A long-term perspective, honesty and post-sales support were the most oft-mentioned responses.

After the initiation of the relationship, it is important to know how a salesperson can build trust with the buyer and to secure customer satisfaction. The competitive model by Ahearne et al. (2007) consists of salesperson service behaviors: (1) diligence, (2) information communication, (3) inducements, (4) sportsmanship, and (5) empathy. Relationship quality in the model consists of satisfaction and trust outcomes being shared with the customer. Diligence is defined 'as a composite of responsiveness and reliability',

information communication as ‘regularly relaying product information to the customer in a clear and concise manner’, inducement ‘as a behavior aimed at personalizing the relationship with a customer e.g. remembering and recognizing personal event, providing lunch’. Empathy is defined ‘as a salesperson’s demonstration of interest and concern for the welfare of the customer’ and sportsmanship ‘as a salesperson’s willingness to tolerate less-than-ideal circumstances without demonstrating negativism’. The results suggest that salesperson diligence, information communication and inducements directly affect buyer satisfaction with the salesperson. Indirectly, they affect trust through satisfaction. Empathy has a significant, direct effect on buyer trust for the salesperson. Sportsmanship had a direct effect on buyer trust in the salesperson and on satisfaction.

The SERVQUAL scale for measuring service quality was developed by Parasuraman, Zethaml and Berry (1985). The variables of service quality are tangibles (appearance of physical elements), reliability (dependable and accurate performance), responsiveness (promptness and helpfulness), assurance (credibility, security, competence and courtesy) and empathy (easy access, good communication and customer understanding). SERVQUAL measures are solid theoretical underpinnings for understanding customer expectations for service quality as well as in the industrial selling context (Westbrook & Peterson 1998). The most important variables found were responsiveness, competence, consultative selling, reliability and price in the industrial setting. There are slight variations in terms of the relative importance of these variables from one industry to another industry but all of them are important to the respondents.

Social competence, network knowledge and a portfolio of good personal relationships are important attributes of relationship managers (Walter 1999). Furthermore, in international settings, relational exchange processes are more complicated, partly due to a lack of trust and commitment of partners. For this reason, the role of a relationship manager in developing and maintaining international customer relationships is of special importance.

In sum, in many business contexts, the role of a salesperson is central to the development of strong buyer-seller relationships (e.g. Beverland 2001; Schwepker 2003). Generally, there are many relationships between buyers and salespeople, but none might be more important than the relationship which exists between a salesperson and a customer. Salespeople are uniquely positioned in the company to deal with several issues related to relationship building. There has been a lot of research conducted on relationship building at the organizational level. However, relational-selling skills and behaviors have not been systematically studied, and little is actually known about how relationships are initiated, maintained and developed between salespeople and

buyers. In addition, buyer-side research on salespeople's relational skills and behaviors is scarce (e.g. Ahearne et al. 2007; Beverland 2001; Biong & Selnes 1995; Boles et al. 1996; Boles et al. 2000; Crosby et al. 1990; Macintosh, Anglin, Szymanski & Gentry 1992).

### 2.3.2 *Developing long-term relationships through personal selling approaches*

Selling approaches and relational behaviors are very much intertwined. To build a holistic view on salespeople's relational behaviors, I examine selling approaches also in this study. Salespeople can employ one or more personal selling approaches when interacting with customers or executing a specific relationship strategy (Ingram et al. 2009 27, 63). In the literature, selling approaches, modes, models, methods and styles are used interchangeably. For this study, the most applicable selling approaches beside relationship selling approach are customer oriented, adaptive, problem-solving, consultative, solution selling and value selling, and these approaches can be conceptualized as relational-selling behaviors (cf. Borg & Johnston 2013; Chakrabarty et al. 2013; Guenzi et al. 2007).

Guenzi et al. (2007) make the criticism that there is no commonly accepted interpretation of relational-selling behaviors. Relational-selling behaviors typically are associated with interaction intensity, mutual disclosure, co-operative intentions, conflict handling, communication, salesperson's competence and use of low-pressure selling tactics. When aiming at building long-term buyer-seller relationships, relational behaviors such as customer-oriented selling, adaptive selling and team selling are required. Customer-oriented selling, adaptive selling and problem-solving selling are also interpreted as value-adding techniques, facilitating the adoption of relationship behaviors, such as contact intensity, mutual disclosure and cooperative intentions (Bayaa, Goedegebuure & Jones 2009). Next I examine selling approaches and related research in more detail.

#### **Customer-oriented selling**

Customer-oriented selling has its roots in the marketing concept. Saxe and Weitz (1982) have conceptualized it as the practice of the marketing concept at the individual level between the salesperson and customer. The concept is defined as 'the degree to which salespeople practice the marketing concept by trying to help their customers make purchasing decisions that will satisfy customer needs'. Salespeople with high customer orientation adopt selling behaviors through which long-term customer satisfaction can be increased

while selling-oriented salespeople persuade or force customers to buy the products and services of the firm instead of really understanding customers and their needs (Kotler et al. 2012, 29).

When developing the selling orientation-customer orientation (SOCO) scale, Saxe and Weitz (1982) first defined customer-oriented selling by relying on a literature review and interviews of 25 salespeople and sales managers, and conducting additional surveys among salespeople. Customer-oriented selling was characterized as follows: (1) a desire to help customers make satisfactory purchase decisions, (2) helping customers assess their needs, (3) offering products that will satisfy those needs, (4) describing products accurately, (5) avoiding deceptive or manipulative influence tactics, and (6) avoiding the use of high pressure. The measure consists of 24 items in total. Salespeople's degree of selling orientation is measured by 12 items, as is salespeople's degree of customer orientation. Thomas, Soutar and Ryan (2001) developed the original SOCO scale by reducing the number of items from 24 to 10 without losing any relevant information.

Customer-oriented salespeople emphasize the benefits of their offering and their company's ability to deliver these benefits, and try to find out special customer needs, even to learn customer's operations and procedures (Swan, Tarwick & Silva (1985). They stress their ability to serve customers and are prepared to discuss both the advantages and limitations of their products. Identifying customer needs and matching them to the company's offering is an essential part of customer-oriented selling, leading to a natural closing phase compared to the traditional, manipulative closing phase (Brooksbank 1995). Interpretations of customer oriented selling by Brooksbank (1995) and Swan et al. (1985) are consistent with Saxe and Weitz (Schwepker, 2003). Customer-oriented selling is practiced by many organizations (Flaherty, Dahlstrom & Skinner 1999). Salespeople have been encouraged to apply it to improve the service and quality goals of a company. Salespeople who manage both traditional selling skills, which are approaching, presentation, closing, objection handling, after-sale service and consulting-oriented behaviors, are more customer-oriented than salespeople who have not been trained in these areas or who are missing these behaviors (Pettijohn, Pettijohn & Parker 1997; Pettijohn, Pettijohn & Taylor 2007).

Empirical research on the relevance of the construct's dimensions has been limited since the conceptualization of customer-oriented selling was made (Schwepker 2003). Further research is needed on the definition, conceptualization, measurement of customer-oriented selling and skills that are most important for customer-oriented salespeople. Schwepker asks the question of whether customer-oriented selling is only a sales presentation approach involving the communication skills of listening, questioning and speaking.



Furthermore, salespeople tend to overestimate how customer oriented they are (Gillis, Pitt, Robson, & Berthon, 1998). Stafford and Stafford (2003) claim that the SOCO model is valid in consumer market applications, but its use in industrial market applications has limitations.

Customer orientation can also be approached from functional and relational perspectives. The functional customer orientation involves task-oriented behaviors like needs identification and product presentation, and the relational customer orientation behaviors aim at establishing a personal relationship with the customer (Homburg, Müller & Klarmann 2011a). Homburg, Müller and Klarmann suggest that situational context is a strong driver of a salesperson's effectiveness. In cases involving task-oriented buyers, important product or weak brands, a high level of functional customer orientation is useful. A relational customer orientation increases customer loyalty if the buyer is interaction-oriented, the brand is strong and products are tailor made. Customer orientation is neither functional nor relational but salespeople very evidently apply a mixture of the two orientations. Lamberg (2008, 241) found in her study, 'Creating relational customer orientation', that on the individual level, customer orientation may be an existing practice, although the organization might not be customer oriented.

The impact of customer-oriented selling on salespeople's performance has been investigated a great deal and the results are contradictory to some extent. Individual salespeople can positively influence the performance of a company if they exploit customer-oriented selling in establishing and maintaining customer relationships (Williams & Attaway 1996). A meta-analytical study (Jaramillo, Ladik, Marshall & Mulki 2007) confirms that there is a significant positive relationship between SOCO and salesperson job performance. In spite of these findings, Jaramillo, Ladik, Marshall and Mulki emphasize that SOCO explains only 2% of the overall variance in salespeople's job performance. This result is in line with the findings of Joshi and Randall (2001). According to a meta-analysis by Franke and Park (2006), customer-oriented selling does not have any clear effect on sales performance. Customer orientation is positively related to the salesperson's self-rated performance but not to manager-rated or objective performance. Based on their findings, Franke and Park question how effectively customer-oriented selling puts into practice the marketing concept at the salesperson-customer level. Wachner, Plouffe and Grégoire (2009) found that 23% of sales performance was explained by interpersonal, salesmanship and technical skills while customer orientation was explained only 5.3%, and sales orientation 6.8% of the variance in sales performance. Thus, the effect of selling skills on sales performance is essential compared to that of customer orientation. Customer-oriented sales behaviors are crucial when building and maintaining customer relationships in the long

term, but practicing customer orientation requires time and implementation costs are high (Homburg, Müller & Klarmann 2011b). Homburg, Müller and Klarmann provide evidence that there is an optimum level of customer orientation in sales encounters, while in their sample, even 30% of the salespeople manifest customer-orientation levels that are higher than optimum. Customer orientation is positively related to superior customer value creation but, on the other hand, selling orientation is not negatively related to superior value creation according to the findings of Guenzi, De Luca and Troilo (2011). They suggest that customer orientation and selling orientation are not opposite ends of the same continuum but different constructs which can exist in parallel in the same organizations.

The construct of customer-oriented selling in studies has typically been operationalized with a five item scale. The following measures have been used in the SOCO studies (cf. Wachner et al. 2009): (1) 'I try to figure out what the customer needs are', (2) 'A good employee has to have the customer's best interest in mind', (3) 'I try to bring a customer with a problem together with a product/service that helps solve that problem', (4) 'I offer the product/service that is best suited for the customer's problem', (5) 'I try to find out what kind of product/service will be most helpful to a customer'. This kind of operationalization is focusing on the customer's product/service need or problem. In the current relational selling era, the salesperson's new imperative is to build and maintain relationship and advance cooperation with the customer (Hunter & Perreault 2007). However, the SOCO measure does not assess customer satisfaction (Schwepker 2003), although long-term customer satisfaction is a key element when building and maintaining relationships. Customer orientation at the individual employee level is a psychological phenomenon, attitude or mindset driving salespeople to satisfy customers' needs rather than behaviors manifested by the employee (Zablah, Franke, Brown & Bartholomew 2012).

In sum, customer orientation today provides a wider understanding of the buying process, customer decision-making process, customers' business, purchasing orientations, buying behavior at an organizational and an individual level, and converting increasing data into customer knowledge, to be exploited when creating solutions to customers. The construct operationalization above replies only partially to these topics. Customer orientation as a construct seems to need a broader re-definition to better meet today's requirements. Blocker, Flint, Myers and Slater (2011) suggest a new approach to customer orientation. They found that proactive customer orientation boosts value creation to the customer in global B2B markets. Proactive customer orientation is manifested in competencies aimed at uncovering the customer's latent and future needs. Chakrabarty et al. (2013) conclude that actual customer-oriented selling is much more strategic in nature than tactical selling behavior.

### **Adaptive selling**

Adaptive selling is defined as ‘the altering of sales behaviors during a customer interaction or across customer interactions based on perceived information about the nature of the selling situation’ (Spiro & Weitz, 1990; Weitz et al. 1986). Salespeople are adaptive when they customize their sales presentations for each customer and also alter their behavior during an interaction. Spiro and Weitz point out that personal selling is a dynamic influencing process and the only communication transmitter that allows a marketing message to be adapted to specific customer needs and beliefs. They developed a 16-item scale (ADAPTS) to measure the degree to which salespeople practice adaptive selling. The five facets of adaptive selling were defined as: (1) recognition that different sales approaches are needed for different customers, (2) confidence in ability to use a variety of approaches, (3) confidence in ability to alter an approach during an interaction, (4) collection of information to facilitate adaptation, and (5) actual use of different approaches.

Salespeople with adaptability skills are able to identify crucial differences in buyers’ purchasing behavior in different buying situations, such as in straight rebuying, modified rebuying and new task buying situations and adjust their selling behavior accordingly. The effects of adaptive selling behaviors (ASB) on salespeople’s performance (short-term consequences) have been investigated abundantly. Adaptive selling behaviors boost salespeople’s performance outcomes especially in new buy or modified rebuy situations, while in straight rebuys, the impact of the salesperson’s adaptation is smaller (Porter, Wiener & Frankwick 2003). ASB increases self-rated, manager-rated and objective measures of performance and salespeople’s job satisfaction (Franke & Park 2006). Adaptive selling also has a positive effect on the salesperson’s outcome performance, as well as on customers’ evaluations of satisfaction with the product and with the salesperson, thus enhancing customer retention and long-term relationships (Román & Iacobucci 2010).

The construct of cultural intelligence (CQ) refers to the ability of an individual to behave effectively in culturally diverse contexts.<sup>12</sup> Salespeople high in CQ are able to adapt to customers’ cultural backgrounds (Hansen et al. 2011). Cultural adaptation is one type of ASB; that is, the salesperson changes their behavior, taking into consideration the customer’s cultural background.

Salespeople and sales managers view the salesperson’s adaptiveness in their sales presentations differently from the buyers (Dion & Panting 2000). The study suggests that salespeople’s presentations are not as adapted to the buyers’ needs as salespeople like to think. However, adaptability is a learned behavior, and continuous training increase salespeople’s adaptability (Franke

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<sup>12</sup> Source of cultural intelligence: Earley & Ang, 2003.

& Park 2006; Withey & Panitz 1995). A salesperson's perception of a firm's customer orientation has an effect on adaptive selling behavior, increasing the salesperson's adaptive selling confidence (Román & Iacobucci 2010).

McFarland et al. (2006) investigated influence tactics for effective adaptive selling in the individual dyadic relationships between buyers and salespeople. Williams and Spiro's (1985) scales for task orientation, self-orientation and interaction orientation of buyers were used. They identified clusters of industrial buyers and found that buyers are more complex than previously believed. The dominant task orientation defines the first cluster of buyers. The second cluster of buyers, called engagement-focus buyers, manifests a high task and interaction orientation. The third cluster of buyers, called self-focus-with-balance buyers, shows all three orientations but with higher self-orientation scores than the other two clusters. For buyers with a task orientation, salespeople should apply information exchange and recommendations tactics; for buyers with an interaction orientation, salespeople should apply ingratiation tactics and inspirational appeals; for buyers with a self-orientation, salespeople should apply promises and ingratiation tactics. The study supports strongly the adaptive selling literature suggesting that a buyer's orientation should be a driver for the use of influence tactics.

In sum, for three decades now, marketing research has tried to find the most appropriate selling model without success, and for this reason, a good salesperson should be adaptive and employ a selling model suitable to the customer and situation (Román & Iacobucci 2010). The positive effects of the salesperson's adaptation for the buyer and to the selling situation are well documented. Because my study scrutinizes the selling competencies from the buyer's viewpoint, the salesperson's adaptation competence in general is of importance. The 'buyer orientations' by Saxe and Weitz (1982) and their further development by McFarland et al. (2006) are especially applicable concepts for my study. The existing research has mostly examined the characteristics of the salespeople required for the adaptation (Viio & Grönroos 2014) but neglected to examine whether the adaptations are suitable to different buyer types (McFarland et al. 2006).

### **Problem-solving selling**

When using a problem-solving selling approach, a salesperson is asking appropriate questions, listening to and acknowledging the customer's responses to uncover their needs. Actually, need discovery (called also need identification, need analysis or need assessment) has started before the meeting as the part of the salesperson's preparations and background information collection. The buyer dominates the sales meeting until needs or problems have been found. After identifying the needs, the salesperson develops alternative

solutions and describes how his or her product or service can satisfy these needs. Needs identification may be time consuming and costly but, especially if a major purchase is under discussions, both parts consider it worth doing. It may also decrease the customer's reluctance when the salesperson is avoiding persuading and pressing the buyer. (cf. Ingram et al. 2009, 30; Manning et al. 2012, 263–264.)

The problem-solving selling approach has been popularized, especially by Neil Rackham through introducing and disseminating SPIN® selling worldwide bases (Rackham & DeVincentis 1999, 209). When using SPIN® selling, a salesperson exploits four different types of question: (1) Situation questions for investigating the customer's situation, (2) Problem questions for determining the customer's need or problem, (3) Implication questions for discussing implications if no attention is paid to removing the implications of the problem, and (4) Need payoff-questions to show how the salesperson can solve the customer's problem. SPIN® selling has been especially applicable in sales situations where the product or service to be sold has been complicated or highly technical in nature, and expensive. The salesperson should be able to show the significance of the customer's problem and how their solution can create meaningful customer value (Ingram et al. 2009, 30–31; Manning et al. 2012, 264).

Problem-solving selling is widely used in the industrial selling context. It is similar to the consultative selling approach. However, the literature addresses it as a separate approach, as the next chapter shows.

### **Consultative selling**

Generally, research on consultative selling is scarce regardless of its popularity within firms. The consultative selling approach was introduced by consultant Mack Hanan in 1970 and has become a popular selling approach in many industries on a worldwide basis. A consultative salesperson helps customers to reach their strategic goals by using the products, services and expertise of their sales organization. Focusing on achieving strategic goals of customers differentiates it from other selling approaches. If customers' strategic priorities are not present, the selling approach is not a consultative approach. It can also include the solving of customer problems and meeting customer needs. The salesperson has to be an expert regarding the customer's business, competitors and market development. He has to be a coordinator of other people's role in the sales process in the selling company. The consultative selling approach provides a collaborative approach and a long-term perspective. It is not appropriate for all sales situations due to the customers' different interests. (Ingram et al. 2009, 31.)

The consultative selling approach consists of the idea of selling as a helping relationship besides having the problem-solving element (Rackham & DeVinentis 1999, 128–130). Consultative salespeople can directly add customer value in three areas: (1) they are in a position to help customers understand their problems, issues and opportunities in a new or different way, (2) they can show customers new or better solutions to customer problems, and (3) they can act as advocates for their customers within the supplier company. In addition, this value in the three above areas is constituted by consultative selling and not by the superiority of the product or well-organized marketing efforts. Rackham and DeVinentis state that the more complicated the product or service is, the more possible it is to add value through consultative selling. To assist in attaining the customer's profit goals, the consultative salesperson must know, understand and meet all of the customer's needs and provide needs-based solutions (Westbrook & Peterson 1998). In the consultative selling context, the perceived expertise of a salesperson and trust with a salesperson creates perceived credibility among buyers, enabling the building of long-term business relationships (Liu & Leach 2001).

There is a significant influence of consulting-oriented sales training and compensation on the firm's long-term growth (Pelham 2002). In industries where relationship buying is essential, consulting-oriented sales programs should emphasise the development of skills such as customer knowledge, questioning, listening, problem diagnosis, problem solving and relationship building. Accordingly, the study suggest that consulting-oriented salespeople should be measured and evaluated based on their ability to solve customer problems, reduce customer costs, increase customer share , improve customer satisfaction and improve customer retention.

### **Solution selling**

Solutions and solution selling has become topical since the beginning of this millennium. Demand for integrated solutions has substantially increased because large companies are outsourcing systems integration and operational activities. In addition, services provide stable revenue streams to the manufacturer and have attractive profit margins. To fulfil customers' changing needs, manufacturers offer innovative combinations of technology, products and services (Davies, Brady & Hobday 2006). According to the new service-dominant (S-D) business logic in marketing by Vargo and Lusch (2004), there is movement away from the exchange of tangible goods towards the exchange of intangibles, specialized skills, knowledge and processes. To be successful in selling integrated solutions, new organizational structures and competencies are needed, such as value propositions using customer business metrics, changing the selling approach, taking total business value into consideration in

pricing, aligning the whole organization with the solutions, and maintaining control to ensure customer value is achieved (McKinsey & Company 2003).

Solutions are defined in several ways, and no common understanding of the concept of 'solutions' exists. Eades (2004, 4) defines it as a mutually shared answer to a recognized customer problem that brings some measureable improvement. Evanschitzky et al. (2011) point out in their definition that customized offers for complex customer problems are interactively designed, can be a combination of products and services and add a generation of value exceeding the sum of the components. Storbacka (2011) has defined 'integrated solutions' as 'longitudinal relational processes, during which a solution provider integrates goods, service and knowledge components into unique combinations that solve strategically important customer specific problems, and is compensated on the basis of the customer's value-in-use'.

In line with Tuli et al. (2007), Evanschitzky et al. (2011) define 'solution selling' as 'relational process, comprising the definition of the customer requirements, customization and integration of goods and services, their deployment, and post-deployment customer support'. Actually, solution selling is similar to consultative selling even though it underscores the integration of goods and services as well as after-sales support. The role of salespeople will change when adopting solutions selling: 1) salespeople will be responsible both for order-taking and order fulfilment, (2) instead of acquisition specialists, salespeople will increasingly become relationship oriented, and (3) the new role of the salesperson will be similar to the role of a general manager rather than being a persuasive salesperson (Sharma, Iyer & Evanschitzky 2008). Consultative and value-selling skills are provided from salespeople performing solution selling (Storbacka, Polsa & Sääksjärvi 2011). Solution salespeople may be successful if they employ the multidimensional concept of salesperson's opportunity recognition (SOR) (Bonney & Williams 2009). SOR is a cognitive process in which a salesperson identifies a misallocation of customer's resources, defines the customer's problem and configures a solution that includes value generation for both parties. SOR recognition involves the provision of strong support from the company and autonomy to the salesperson to make independently decisions in their day-to-day operations, including in price setting. Also, Ulaga and Loveland (2014) confirm the challenges to the sales force organization in hybrid offering settings, in line with the solution selling concept outlined above: co-creation logic instead of persuasion, a deeper cooperation with customers in creating solution, networking and interacting with several persons in the buying organization and identifying opportunities instead of following the steps of the traditional selling process (cf. Bonney & Williams 2009; Evanschitzky et al. 2011; Sharma et al. 2008; Storbacka 2011; Tuli et al. 2007).

### **Value selling**

Value creation has been one of the major research topics among marketing scholars during the last two decades. Sullivan, Peterson and Krishnan (2012) recognized four main streams in contemporary value research: (1) value creation as a firm competence, (2) value creation as a relational activity undertaken by salespeople, (3) value creation ‘in the eye of the beholder’, and (4) value as a co-creation construct. They define a firm’s value creation competence as ‘the firm’s ability to understand and translate customer needs into superior solutions for customers’, reflecting the importance of deeply understanding customers’ business needs and developing product-service expertise. Value creation viewed from the competence viewpoint is in line with my study, but in this chapter, I focus on value creation from the relational perspective and address the research on the most essential relational value concepts and, also, value selling concepts from the viewpoint of my study.

In business-to-business markets, value is defined as ‘the worth in monetary terms of the technical, economic, service, and social benefits a customer company receives in exchange for the price it pays for a market offering’ (Anderson et al. 1992; Anderson & Narus 1998; Anderson et al. 2009, 6–7). The value provided must exceed the price paid in order to be attractive to the customer, and the difference between the value and the price is defined as the customer incentive to make a purchase. The value creation consists of the following elements: understanding customers’ value needs, creating the value proposition, communicating the value proposition and delivering the value proposition (Anderson et al. 2009, 5; Manning et al. 2012, 74; Solomon, Marshall & Stuart 2011).

‘Value is perceived by customers in their everyday activities and processes and in interactions with suppliers or service providers when consuming or making use of services, goods, information, personal contacts, recovery and other elements of on-going relationships’ (Grönroos 2007, 155). Traditionally, the ‘value-in-exchange’ in economics means that the products and services delivered to the customer include value. Grönroos claims that there is no value before the customer can use the product or service, i.e. value emerges in the customer’s process. This approach is called ‘value-in-use’, and the role of the salesperson is to support a customer’s value creation. Vargo and Lusch (2004) state that a company can only offer value propositions, while the customer determines value and participates in value creation through the coproduction-based ‘value-in-use’ notion. Value in a relationship can also be eroded through value destroyers, such as unfriendly or unskilled salespeople, late deliveries or badly-handled complaints (Grönroos 2007, 157).

Empirical research on relationship value in business-to-business markets from the customer perspective has been very limited (Ulaga 2003; Ulaga &



Eggert 2006). Customer-perceived relationship value relates to a customer's overall assessment of the benefits and sacrifices in a buyer-seller relationship (e.g. Ritter & Walter 2012; Ulaga 2003; Ulaga & Eggert 2006). When in depth-interviews were conducted with purchasing managers, Eight value drivers in manufacturer-supplier relationships could be identified (Ulaga 2003). Table 5 illustrates the relationship value drivers.

Table 5 Relationship value drivers (adapted from Ulaga 2003)

<p><b>(1)Product quality</b></p> <ul style="list-style-type: none"> <li>• Product performance</li> <li>• Product reliability</li> <li>• Product consistency</li> </ul>	<p><b>(2)Service support</b></p> <ul style="list-style-type: none"> <li>• Product-related services</li> <li>• Customer information</li> <li>• Outsourcing of activities</li> </ul>
<p><b>(3)Delivery</b></p> <ul style="list-style-type: none"> <li>• On-time delivery</li> <li>• Delivery flexibility</li> <li>• Accuracy of delivery</li> </ul>	<p><b>(4)Supplier know-how</b></p> <ul style="list-style-type: none"> <li>• Knowledge of supply market</li> <li>• Improvement of existing products</li> <li>• Development of new products</li> </ul>
<p><b>(5)Time-to-market</b></p> <ul style="list-style-type: none"> <li>• Design tasks</li> <li>• Prototype development</li> <li>• Product testing and validation</li> </ul>	<p><b>(6)Personal interaction</b></p> <ul style="list-style-type: none"> <li>• Communication</li> <li>• Problem solving</li> <li>• Mutual goals</li> </ul>
<p><b>(7)Direct product costs (Price)</b></p> <ul style="list-style-type: none"> <li>• Price above, below, at competition</li> <li>• Annual price decreases</li> <li>• Cost reduction programs</li> </ul>	<p><b>(8)Process costs</b></p> <ul style="list-style-type: none"> <li>• Inventory management</li> <li>• Order handling</li> <li>• Incoming inspections</li> <li>• Manufacturing</li> </ul>

The study findings show how customers actually view value and, through value drivers, customers are able to assess suppliers' value creating capabilities in a relationship (Ulaga 2003). The multidimensional approach reveals buyers' pragmatic and holistic views on relationship value, although key relational dimensions, such as trust, commitment and satisfaction, are not present in the study.

Ulaga and Eggert (2006) investigated value drivers' potential for serving as key differentiators in business relationships. The study results suggest that relationship benefits are a stronger source of differentiation than costs: relationship costs account for about 20% of the variance, and relationship benefits about 80% of the variance. This is a remarkable finding because, in business markets, customers are regarded as very cost oriented. Service support and personal interactions were core differentiators.

There are important roles for both the key contact person or the salesperson and the company when building and maintaining relationships (Alejandro, Souza, Boles, Ribeiro & Monteiro 2011). Alejandro, Souza, Boles, Ribeiro and Monteiro's relationship quality model includes elements of trust, satisfaction, and commitment with the company and with the contact person. These elements are also value drivers. Trust, being a social norm, may reduce the monitoring costs of the relationship, which increases the perceived value. Increasing commitment and satisfaction leads to bonds and, through bonds, the partners perceive increased value. The outcomes of the model are loyalty, performance and relationship value. The findings suggest that relationship quality with salespeople is directly related to loyalty and perceptions of relationship value. Relationship quality with a company is related to loyalty but indirectly through relationship-specific investment. According to this study, personal links bind customers to the supplier. The relationship value was based on relationship quality both with the company and with salespeople. Meanwhile, Weitz and Bradford (1999) emphasized the key role of salespeople in building long-term buyer-seller relationships. Salespeople's influence buyers' perceptions of the salesperson's reliability and value and the buyer's interest in continuing the relationship. Buyers also often have greater loyalty to salespeople than to the companies the salespeople are working for.

The existing literature has identified several dimensions that influence the behavioral intentions of business-to-business customers, such as satisfaction, trust and commitment, as well as developed higher-order constructs, such as relationship value and relationship quality. Yet, the research has been limited concerning the interaction of these higher-order constructs in business relationships (Hutchinson et al. 2011; Rauyruen & Miller 2007; Ulaga & Eggert 2006). Hutchinson et al. (2011) found in their study that relationship quality (RQ) and its antecedents, such as relationship benefits (RB) and relationship sacrifices (RS), had a direct impact on the behavioral intentions (BI) of the customer. They found also that the antecedent dimensions of RB and RS may act indirectly through the construct of relationship value (RV). RV drives RQ but also influences BI directly, while RQ has a strong direct influence on BI. RV has a weak direct influence on BI. But RV has a significant indirect influence on BI through RQ. Palmatier (2008) integrated social network and exchange theory and developed a model of customer value based on three relational drivers: relationship quality, contact density or the number of relational ties, and contact authority or the decision-making capability of relational contacts. The findings suggest that the value generated from buyer-seller relationships derives not only from the relationship quality, but also from the contact and decision-making authority of inter-firm contacts.

There are differences between buyers' and sellers' approaches to relationships (Geiger, Durand, Saab, Kleinaltenkamp, Baxter & Lee 2012). If the buyers are not satisfied with the value of the relationship, they are a lot less willing to strengthen the relationship and they are quicker to search for alternative suppliers. Relationship value is a stronger predictor than switching costs for enhancing relationships, searching for alternatives or switching intentions in both buyers' and suppliers' cases. That is, value is a stronger behavioral driver than costs. Enhancing customer perceived relationship value is more effective than increasing customer switching costs. However, buyers' relational tolerance might be lost due to supplier's unethical behavior, such as sudden price increases.

Value derived from a relationship is based on the perception of the difference between benefits received and the costs incurred (Homburg et al. 2005). Homburg et al. define the benefit construct from the core benefits' point of view and from the add-on benefits' point of view. The supplier's core benefits represent a minimum set of customer requirements. Product quality, service quality and trust can be seen to be crucial core benefits. Supplier flexibility, joint actions and supplier's commitment were found to be the most important dimensions of add-on benefits. They suggest that cultural differences on the perceptions of these benefits are widely under-researched. In their cross-cultural comparison, German customers representing lower individualism and higher uncertainty avoidance prefer a trust-increasing approach from the suppliers. Owing to high uncertainty avoidance, they also emphasize high product quality. US customers as representatives of high individualism value good and tailored service quality, a high commitment to the customer relationship and flexibility. Through joint activities such as product development and logistic co-operation, uncertainty can be decreased.

'Value Sales' is a new strategy for selling involving a new way of identifying selling opportunities, a new approach to exploiting the company's customer base and 'Customer Process Innovation' (Kaario et al. 2004, 18–19). The salesperson should know the customer's business and its business drivers and processes thoroughly in order to be able to suggest proactive and innovative changes to the customer's processes. Quantifying the benefits in concrete figures generated by the new business model is a central task of the salesperson. Value creation is a process by which the customer is assisted in creating additional value from the customer's own activities and by which the customer is assisted in gaining their own business goals (Kaario et al. 2004, 178).

According to Reilly's 'Value-added Selling' method (Reilly 2010, 12–14), value consists of what someone gives up and what someone gets in return. Value is the buyer's perception. If the salesperson retains a long-term focus of value, it gives them the opportunity to develop and enhance the relationship

with the buyer. Reilly (2010, 46–47) separates quantitative and qualitative value added. Quantitative value added means what a salesperson can do for the customer, such as achieving cost savings, increased market share, greater efficiency and better competitiveness. It is tangible and it can be quantified and measured. It is performance based and a monetary value can be attached to it. Qualitative value added is more subjective and intangible and not easily measured; it includes a strong emotional appeal for the buyer, e.g. how the buyer feels about a product or the salesperson. Value is viewed as an integral part of the selling process (Eades 2004, 64; Manning et al. 2012, 39; Reilly 2010, 48–49). Each step of the sales process provides a value-adding opportunity to the competent salesperson (Manning et al. 2012, 74). The term ‘value proposition’ is an essential part of the value creation approach. But it is one of the most overused constructs in business life. The value proposition becomes ‘valueless’ if it is not based on quantifiable numbers or monetary value, and buyers become resistant to them (Eades 2004, 61).

Terho et al. (2012) identified three basic dimensions of value-based selling: (1) understanding the customer’s business model, (2) crafting the value proposition, and (3) communicating customer value. They conclude that the value-based selling concept is aligned with the value co-creation logic of Grönroos (2007) and Vargo and Lusch (2004). Terho et al. (2012) emphasise that value-based selling is a unique concept that differs from the existing selling approaches.

In sum, selling behaviors such as customer-oriented, adaptive, transactional, relationship, problem-solving, consultative, solution selling and value-based selling approaches all incorporate a value creation perspective (cf. Terho et al. 2012), as does the selling process approach (Eades 2004; Manning et al. 2012; Reilly 2010). However, the salesperson’s role in the value creation process has remained imprecise.

### **Summary of selling approaches**

Table 6 summarizes the essentials of the selling approaches. There are differences but also similarities between the different selling approaches. In particular, problem-solving, solution selling and consultative selling approaches overlap. Changes occurring in the market environment, especially in the competition situation, influence the emergence of the new selling models. In selecting the model or combination of models, the type of product, service or solution, the type of customer, the stage of the customer relationship and the competition situation guide the salesperson’s choices.

Table 6 Personal selling approaches

<b><i>Selling approach by author(s)</i></b>	<b><i>Essentials of the approach</i></b>	<b><i>Focus of relational selling behaviors</i></b>
Customer orientation: Saxe & Weitz (1982; Schwepker (2003); Zablah et al. (2012)	Practice of marketing concept at the level of individual salesperson and customer; a salesperson uncovers and satisfies the needs of a buyer to the mutual, long-term benefit of both parties; mindset	Long-term relationship, value creation, customer need
Adaptive selling: Weitz et al. (1986); Spiro & Weitz (1990)	The altering of sales behaviors during a customer interaction based on perceived information about the nature of the selling situation, a salesperson customizing sales presentation for each customer and altering behaviors during an interaction	Interpersonal skills, presentation, long-term relationship, value creation
Relationship selling: Crosby et al. (1990); Biong & Selnes (1995); Jolson (1997); Weitz & Bradford (1999)	Initiating, maintaining and developing trustful relationships, long-term perspective. Contact intensity, mutual disclosure and cooperative intentions, communication, conflict handling, personal similarity, sales aggressiveness	Long-term relationship, value creation, relational behaviors
Problem-solving selling: Rackham & DeVincentis (1999)	Identifying customer's needs or problems, developing alternative solutions for satisfying needs	Salesmanship skills, value creation, long-term relationship
Consultative selling: Liu & Leach (2001); Ingram et al. (2009)	Focusing on achieving strategic goals of customers, helping customer to understand their problems, showing customer better solutions	Salesmanship skills, knowledge, long-term-relationship, value creation
Solution selling: Eades (2004); Tuli et al. (2007); Storbacka (2011); Evanschitzky et al. (2011)	Relational process, identifying customer's needs or problems, customized integration of product and services, product/service deployment, after sales support	Salesmanship skills, long-term relationship, value creation.
Value selling: Kaario et al. (2004); Manning et al. (2012); Reilly (2010); Terho et al. (2012)	Assisting in creating value from customer's own activities, assisting customer in getting own business goals, innovating customer's process improvements. Creative improvement within the selling process aiming at enhancing the customer experience. Understanding the customer's business model, creating the value proposition, and communicating customer value.	Salesmanship skills, knowledge long-term relationship, value creation

One aim of exploring selling competencies in the field study is to discover a suitable selling approach from the buyer's viewpoint.

## 2.4 Towards a contextual understanding of salespeople's selling competencies

Sales research has not found any single best way to sell. Instead, the optimal course of action is contingent (dependent) upon the situation. Therefore a competent salesperson adapts to the characteristics of the customer and situation (Román & Iacobucci 2010). For this reason, contingency<sup>13</sup> thinking and customer perspective is needed. Next I examine the context of the study, focusing on emergence of supplier-oriented purchasing, purchasing orientations and central concepts of organizational buyer behavior.

### 2.4.1 *Emergence of supplier-oriented purchasing*

The drivers for changing paradigms for organizational buyer behaviors have become recognized. They are: global competitiveness leading to the exploitation of benefits of supply chain management, the total quality management (TQM) philosophy high-lighting long-term perspective, industry restructuring caused by mergers, acquisitions and strategic alliances boosting the reorganization of procurement function to a centralized strategic function of a firm, and, finally, the exploitation of information technology (Sheth & Sharma 2008). Due to the aforementioned drivers, purchasing organizations have significantly renewed themselves and become more professional. The main changes they have gone through can be summarized as follows: (1) focusing on strategic sourcing instead of administrative functioning, (2) transferring buying activities from end-users to professional buying teams, (3) centralizing purchasing management, (4) introducing global category management, dividing product to be purchased according to its importance and substitution, (5) introducing commodity teams instead of contracting teams, (6) training and hiring professional staff, (7) purchasing has become a key aspect of the company's strategy, (8) reducing supplier numbers, and (9) adopting a broader supply chain management approach (cf. Cheverton & van der Velde 2011, 46–47; Rackham & De Vincentis 1999, 49).

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<sup>13</sup> The contingency approach in the domain of management and leadership is a category of research recognising the importance of interaction between situational factors and other factors having an impact on effective leadership (Ingram et al. 2009, 203).

The focus of the existing research has been on the seller's role in the buyer-seller relationship. However, during the past few decades, the relational exchange paradigm has had a significant impact on the purchasing strategies and practices of the firm (Humphreys et al. 2009). Humphreys et al. define the supplier-oriented purchasing (SOP) as 'purchasing initiatives that actively seek to promote and maintain long-term relationships with key supply partners'. They stress that SOP is a different concept from 'strategic sourcing' and 'strategic supply management', focusing on the interpersonal and relationship-oriented dimensions of purchasing. Regarding individual and inter-organizational interactions with key suppliers, the following elements should be present: (1) communication – more specific open information sharing and substantive communication, (2) buying and decision-making processes – more specific employing of consistent purchasing policies and procedures, (3) professionalism – more specific respect shown in all interactions with suppliers, (4) assistance – more specific support for the supplier within the buyer firm, and (5) responsiveness – more specific flexibility and responsiveness to the needs of the supplier. Interactive co-production activities of buyers and salespeople lead to value creation through exchange partnerships (Vargo & Lusch 2004). An essential element of purchasing relationships is also the 'expectation of continuity of relationships', according to Noordewier et al. (1990), describing a buyer's expectation of interactions with the supplier in the future (Dampérat & Jolibert 2009). In general, a relational orientation of an individual contributes to the development of close and sustainable interpersonal relationships while a 'buyer relational orientation' is defined as 'a general and non-fluctuating tendency to support the development of interpersonal proximity in business relationships' (Dampérat & Jolibert 2009). Proximity is associated with three determinants: frequency (cf. Crosby et al. 1990); solidarity, referring to the seller's support of the buyer when difficulties emerge; and cordiality, that is, the buyer feels it to be pleasant to work with the salesperson (cf. likeability and chemistry, Andersen & Kumar 2006). The study suggests that buyer relational orientation and seller expertise (a salesperson knowing the product line and his or her field) affect the development of the buyer-seller relationship: the salesperson's expertise stimulates the buyer's interpersonal satisfaction while buyer relational orientation affects cordiality and indirectly the satisfaction level. Finally, buyer interpersonal satisfaction strongly influences the long-term interorganizational orientation.

Collaborative buyer-seller relationships have been widely recognized by scholars and practitioners to be the source of competitive advantage and platform for value differentiation (Ulaga & Eggert 2006). However, some findings indicate that customers may react negatively to suppliers' efforts to employ a relationship approach (Palmatier et al. 2008). They suggest that several factors

affect the buyers' relationship orientation (RO), such as industry relational norms in the buying firm's industry, relational-centric reward systems from the buyer's viewpoint, the salesperson's competence and product dependence. Miocevic and Crnjak-Karanovic (2012) developed a conceptual model of the relationship between supply chain orientation (SCO) and key supplier relationship management (KSRM) with organizational buying effectiveness (OBE). Organizational buying behavior consists of these three dimensions: (1) value-oriented purchasing, (2) the level of lateral involvement in organizational purchasing tasks, and (3) purchasing related information sharing. They found that SCO and KSRM have a strong influence on OBE, thus supporting collaborative buyer-seller relationships.

In this study, the buyer side's perspectives on collaborative relationships are preferred. The purchasing managers ranked the relationship factors as follows: (1) mutual goals, (2) adaptation, (3) trust, (4) performance satisfaction, (5) cooperation, (6) reputation, (7) shared technology, (8) commitment, (9) structural bonds, (10) comparison level of the alternative, (11) power/interdependence, (12) non-retrievable investments and (13) social bonds (Powers & Reagan 2007). The findings suggest also that there was a significant difference in the importance of the factors across the stages of the relationship (cf. also Wilson 1995). The most important factors in each stage were as follows: *partner selection*, mutual goals and adaptation; *defining relationship purpose*, cooperation; *setting relationship boundaries*, mutual goals and trust; *creating relationship value*, adaptation; and *relations maintenance*, mutual goals and adaptation. The seller side should focus on those factors that are most important in the current stage of the relationship development. Collaborative relationships lead to higher levels of satisfaction and performance than transactional relationships (Whipple, Lynch & Nyaga 2010). Buyers have perceived two types of satisfaction: (1) satisfaction with the relationship and (2) satisfaction with the results. Trust was found to be the most important determinant of satisfaction and communication affected satisfaction and performance.

#### 2.4.2 Purchasing orientations

Firms have different approaches or orientations to purchasing. Purchasing orientation is defined as 'the philosophy that guides managers who make purchasing-related decisions and delineates their domain and span of influence' (Anderson et al. 2009, 96). They separate three purchasing orientations:



buying, procurement and supply management, which is consistent with the original conceptualization by Dobler and Burt (1996).<sup>14</sup> Buyers normally use one or even several purchasing orientations, purposely aligning each orientation with the product or service category.

### **Buying orientation**

When adopting a buying orientation the purchase manager is focusing on obtaining the best combination of the price, quality and availability of a single product or service. Through commoditization, that is, by removing any points of difference between the value elements of competing offers and, through multisourcing, that is, by asking quotations from a number of suppliers, buyers try to gain power over suppliers. Buyers avoid risk by using established and proven suppliers. Buyers set a target for a price (target pricing) of the products and services, exploit global sourcing and also e-source or make purchases online. (Anderson et al. 2009, 98–101.)

Customers can be divided into three different types: (1) intrinsic value customers, (2) extrinsic value customers and (3) strategic value customers (Rackham & DeVincentis 1999, 16, 37; cf. also Manning et al. 2012, 192–193; Tanner et al. 2009, 98–99). For intrinsic customers, value is in the product itself, and the main concern is the cost element of value. Each customer type provides a different type of relationship and selling mode to be employed between the customer and the supplier. Rackham and DeVincentis suggest (1999, 24) employing a transactional selling mode for intrinsic value buyers. Customers who adopt a buying orientation can be classified as intrinsic value customers due to the importance of the cost element in making purchases. Similarly, from the efficiency point of view, 'price minimizers' prefer arm's-length relationships (Svahn & Westerlund 2009).

### **Procurement orientation**

In case of a procurement orientation, the purchasing firm adopts a more strategic approach and proactivity in its endeavors. It drives quality improvements and cost reductions not only by enhancing the order processing but also through materials handling, logistics and physical distribution and building more cooperative relationships with suppliers. The focus is increasingly on acquiring integrated solutions encompassing knowledge and technology. Procurement managers are actively participating in the creation of product and service specifications, avoiding under- and over-specification. The total quality management (TQM) approach is in use to secure higher quality. The procurement manager's focus is on reducing the total costs of ownership

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<sup>14</sup> Dobler, D. – Burt, D. (1996) *Purchasing and Supply Management*, McGraw-Hill: New York.

(TCO) of the product or service rather than just decreasing acquisition prices. Besides, the acquisition price the costs incurred during the product's lifetime are noted, encompassing warehousing, handling, inventory storage, processing, installation, maintenance, repair costs and costs of poor quality. Procurement managers following the procurement orientation increasingly exploit enterprise resource planning (ERP) systems to achieve TCO reductions. Target costing instead of target pricing, cooperative relationships with suppliers and quality management issues are the other topics typical of the procurement orientation. The product may often also be a solution or a bundle of products. (Anderson et al. 2009, 102–106.)

For extrinsic customers, the value is not in the product itself, but how the product is used. For this reason a consultative selling mode for extrinsic value buyers is recommended (Rackham & DeVincentis 1999, 24). Procurement oriented buyers can be classified as extrinsic value buyers. Similarly, from an efficiency point of view, 'bargainers' prefer long-term cooperation and dyadic buyer-seller relationships (Svahn & Westerlund 2009).

### **Supply management orientation**

The role of purchasing within many companies has advanced to a strategic function owing to its contribution to realizing their strategies (Pressey et al. 2007). Companies with a high profile, in particular, such as car manufacturers, for example, have adopted strategic purchasing orientation (SPO) and have established relational strategies with suppliers. To better evaluate and select strategic suppliers, Pressey et al. (2007) conceptualized relationship evaluation criteria. Table 7 illustrates the seven key categories of their generic framework.

Table 7 Relationship evaluation criteria and definitions (Pressey et al. 2007)

<i>Attribute</i>	<i>Definition</i>
Strategic	Understanding the buyer's strategy and willingness to participate in its execution (e.g. invest in joint technology, improved capabilities).
Operational	Product quality, issues of delivery and ability to meet the operational needs of the buyer.
Financial	The costs of maintaining the relationship and the supplier's ability to reduce costs.
Alternative	Comparisons of financial terms, product quality and personal relationships with alternative suppliers.
Organizational/ Cultural	The supplier's fit with the buyer's culture and degree of professionalism.
Relational	The buyer's views of the supply relationship (e.g. level of customer orientation, commitment, decision-making).
Environmental/ Government	The impact of economic and regulatory influences on the supply relationship.

In their empirical study of purchasing decision-makers, Pressey et al. (2007) found that 'problem' relationships are related to suppliers' product quality and meeting delivery deadlines. Beyond these operational elements, relational elements such as commitment, communication and confidentiality all scored highly. Lack of flexibility in negotiating prices was ranked fifth. Findings suggest that the root causes of relational instability depend on basic issues like product quality and delivery. However, their findings suggest also the importance of strategic purchasing and the 'fit' between the supplier and buyer concerning suppliers' aptitude and ability to adapt their capabilities to the buyer's needs.

Purchasing has resulted in the introduction of the company general strategic planning. It consist of a formally written, long-term purchasing plan, reviewing and adjusting it if the company's strategic plans change, co-operation between purchasing and other functions of the company, and defining the various types of relationships to be built with key suppliers (Carr & Pearson 1999). Carr and Pearson found that strategically managed long-term relationships may lead to a better financial performance of the company. However, they state that their model is more applicable to larger companies than to smaller ones. Also Paulraj, Chen and Flynn (2006) conceptualized strategic purchasing as (1) strategic focus, including a formally written long-term plan, (2) strategic involvement, that is, purchasing is included in the firm's strategic planning process and (3) visibility or status that is, the commitment of management to the purchasing function.

Supply management orientation focuses on value creation to end users. It encompasses the integration and coordination of purchasing, not only with other functions of own company, but also with other companies belonging to the value network. The value network consists of not only suppliers but also suppliers' suppliers and customers and customers' customers. Strategic planning, creating, and administrating a sourcing strategy, and creating a supply network consisting of first-, second- and third-tier suppliers are important jobs of a supply manager. In addition, outsourcing, partnerships and alliances are on the agenda. SMO is focused on how to enhance the whole value chain, from raw materials to end users. (Anderson et al. 2009, 107–111).

Strategic value customers demand an extraordinary level of value to be created with only a few precisely evaluated and chosen suppliers. An enterprise selling mode is recommended for strategic value buyers (Rackham & DeVincentis 1999, 24). Similarly, from the efficiency point of view, a 'clock-wiser' prefers network relationships working like clockwork (Svahn & Westerlund 2009).

Understanding the customer firm's purchasing orientation assists suppliers in evaluating how they can create and deliver value to their customers (Anderson et al. 2009, 115). Depending on how the suppliers create value, they should select customers emphasizing the lowest purchase price, the lowest total costs or the greatest value. When, for example, the customer is practicing buying orientation and focusing on the price questions, it may be difficult to suggest changing the customer's production processes regardless of its positive effect on customer's performance. Figure 5 illustrates the different purchasing orientations.

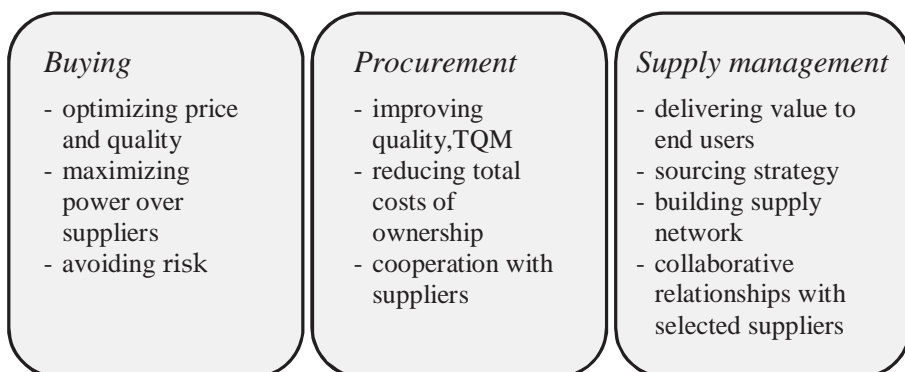


Figure 5 Customers' purchasing orientations

Supply chain management has been researched abundantly, but there have been only a few studies on purchasing orientations and their effects on selling. This is surprising because purchasing orientations guide buyers' styles of making purchasing decisions. It reveals also how sellers can create value for the customers. There has been research conducted on how to adapt the buying and selling processes and how value can be created for different types of customers, while, to the best of my knowledge, my study is the first one to explore selling competencies at the individual level focusing on purchasing orientations.

### 2.4.3 *Organizational buyer behavior*

Successful buyer-seller relationships involve salespeople understanding firms as customers and how firms buy to satisfy the rational needs that result from their desire to be successful in their own markets and to create and deliver customer value. Owing to the fact that individuals within organizations make the buying decisions, salespeople should understand how purchasing people are likely to behave in the roles of decision-makers within their companies. (e.g. Anderson et al. 2009, 95; Vitale et al. 2011, 52, 55) The organizations in my study can be classified as end users or original equipment manufacturers (OEM). Next I discuss the key elements of buyer behaviors: buying center, purchasing process, the linkage between the purchasing process and buying situation, the adaptation of selling and buying process, value creation opportunities during the buying process and the supplier segmentation or purchasing model.

The buying team or buying center plans and executes buying functions in the company both at a strategic and tactical level. The buying team or decision-making unit (DMU) 'refers to all those members of an organization who become involved in the buying process for a particular product or service' (Anderson et al. 2009, 118; Johnston & Bonoma, 1981). To be successful with buyers, salespeople should take into consideration buying center member roles, buying situations and the tasks of buying teams (Anderson et al. 2009, 118–120; Tanner et al. 2009, 91–93). In addition, salespeople should understand the three types of needs members of the buying center attempt to satisfy: organization needs related to the benefits of the product or service, buying center members' individual needs related to their role in the buying center, and each member's personal needs (Vitale et al. 2011, 59).

Various roles can be distinguished in the buying center, DMU or buying team:<sup>15</sup> users, influencers, buyers, decision-makers and gate-keepers or controllers. Users are people who use product or work with the product. Obviously, the opinions of users are taken into consideration when specifying and selecting the product. The influencers are in a position to affect purchasing decision-making through their advice. Buyers normally negotiate the contracts and act often as decision-makers also. Gatekeepers control the information flow from the supplier to the customer or other members of the buying center. The secretary may act as a gatekeeper through screening the supplier candidates. Buyers may also act as gatekeepers through controlling suppliers' information sharing inside the company (cf. Tanner et al. 2009, 93; van Weele 2010, 28). Buying team tasks vary from strategic to tactical tasks. Strategic teams create an acquisition strategy for product or service categories. For tactical issues, there are certification teams, specification teams and supplier performance evaluation teams. The size of the team naturally varies from company to company depending on the size and industry. In smaller companies, just one or two people are responsible for these tasks.

Knowing the customer's purchasing process, requirements and product and service specifications helps salespeople to match their offerings to the customer's needs. Many companies also follow a structured purchasing process when acquiring goods and services (Anderson et al. 2009, 123, 126). There are several purchasing process models that slightly differ from each other. Buyers tend to engage in the following buyer's decision-making process: problem recognition, information search, evaluation of alternatives, purchase decision and post purchase evaluation, which consists of several steps or activities (e.g. Tanner et al. 2009, 90–91; van Weele 2010, 59–60). The purchasing process model by van Weele (2010, 28–29) shows how different purchasing activities are conducted in a company and how they are interconnected with each other. Needs and requirements act as inputs for the purchasing process. Figure 6 illustrates the model.

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<sup>15</sup> Webster and Wind (1972) defined the buying center and the various roles of the decision-making unit as 'all those individuals and groups who participate in the purchasing decision-making process, who share some common goals and the risks arising from the decisions' (van Weele 2010, 29–30).

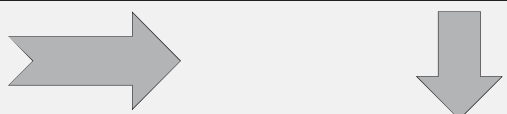
<i>Define Specification</i>	<i>Select Supplier</i>	<i>Contract Agreement</i>	<i>Ordering</i>	<i>Expediting</i>	<i>Evaluation</i>
					
Get specification	Assure adequate supplier selection	Prepare contract	Establish order routine	Establish expediting routine	Assess supplier
Functional specification Technical changes Bring supplier-knowledge to engineering	Prequalification of suppliers Request for quotation	Contracting expertise Negotiating expertise	Develop order Routines order handling	Expediting 'Trouble-shooting'	Supplier evaluation Supplier rating
Functional specification Norm/ spec control	Supplier selection proposal	Contract	Order	Exception report Due date listings Invoices	Preferred supplier list Supplier ranking scheme

Figure 6 Purchasing process approach: managing interfaces (adapted from van Weele 2010, 29)

Purchasing is a cross-functional responsibility within the company and is not limited to the purchasing department only (Van Weele 2010, 30). In particular, when deciding on the specification of the product, the engineering department has a crucial and decisive role. The first three steps can be described as a technical-commercial function while the remaining three steps are related to logistics and administration.

The buying situations are characterized by the customer's knowledge of the functional and technical specifications involved: a new task buying situation, a modified rebuy or a straight rebuy situation (van Weele 2010, 31).<sup>16</sup> A straight rebuy relates to the acquisition of a known product from a known supplier, a new-task situation where the organization decides to buy a completely new product supplied by an unknown supplier, and modified rebuy relates to a

<sup>16</sup> The model of purchasing situations has been conceptualized by Robinson, P., Faris, C. and Wind, Y., 1967, *Industrial Buying and Creative Marketing*, Allyn and Bacon.

situation where the organization wants to purchase a new product from a known supplier or an existing product from a new supplier. The purchasing process varies depending on the buying situation. According to van Weele (2010, 31), the new-task situation occurs when the company buys a completely new product from an unknown supplier. Due to high risks and uncertainty, the decision-making process provides a lot of problem solving within the company. All six steps described in the purchasing model are needed. The modified rebuy situation occurs when the company buys a new product from the known supplier or changes from the supplier of the existing product to a new supplier, for example, due to dissatisfaction with the current supplier. The purchasing process is emphasized in the four last steps. The decision-making process includes less problem solving compared to the new-task situation. The straight rebuy is the most common situation, that is, it is a purchase of a known product from a known supplier. The purchasing process in this case consists of only the last three steps.

Purchasing can also be approached from the process flow perspective instead of the step perspective. Cheverton and van der Velde (2011, 23) introduced the basic procurement process as a flow of events, which consists of specifying, sourcing, negotiating, contracting and follow-up. Vitale et al. (2011, 59–60) suggest that in real life, purchasing decisions follow process flow and include overlapping, feedback loops and no boundaries between steps. Their process flow model consists of the following stages: definition stage, selection stage, deliver solution stage and endgame stage.

It is well documented that specific adaptations by both buying and selling companies in a single business relationship are common in order to create competitive success in industrial markets. Both buying and selling companies implement specific adaptations, but adaptations by supplying companies are more common (Brennan & Turnbull 1999; Brennan, Turnbull & Wilson 2003). Viio (2011, 144) suggests that the adaptation of the sales process to the buyer's buying process is important and is beneficial for both parties. When the selling company views the organizational buying as a multi-phase process, it contributes to creating a sales strategy. The objective of any sales strategy should be to move the buyer smoothly through different stages of the buying process, leading to the purchase of a product (Ingram et al. 2009, 60). At the individual salesperson-buyer level, the salesperson should adapt to the buyer, that is, the salesperson has to recognize where the buyer is in the buying process and proceed accordingly.

Value creation is an essential element also in a firm's procurement, encompassing both the buyer and the salesperson. During the entire purchasing and supply cycle, a buyer can create value within their company through acting as a facilitator (van Weele 2010, 30); through identifying new, potential



suppliers; through being involved in new product development projects; through preparing and updating a list of approved suppliers or vendor list; through conducting contract negotiations; through organizing and standardizing ordering routines; through expediting and outstanding orders; and through evaluating the supplier performance. When the salesperson recognizes how the buyer can create value for their company, the salesperson can, through their own activities, facilitate the buyer in value creation. The salesperson can create value during each step of the buying process (Rackham & DeVincentis 1999, 67). In the 'recognition of needs', the salesperson can help the customer recognize and define the problem in a new way. In the 'evaluation of options', the salesperson can present new solutions to the customer. In the 'resolution of concerns', they can remove all obstacles to purchasing. In the 'purchase', they can make the purchase convenient, and in the 'implication', they can instruct in the installing and using of the product.

In industrial companies, the share of purchased products of the sales exceeds 50% on average (Noordewier et al. 1990). Owing to the importance of purchasing for a company's profitability, that is, its bottom line and return on investment, the buyers pay all possible attention to the costs of items purchased. To be competitive, customers need to ensure that they stay competitive at each step of the supply chain leading to the price pressure. While costs have an immediate effect on the bottom line, buyers fight hard against price increases. Keeping prices low is a crucial part of all buyers' jobs. Although there are other important elements in the purchasing, such as value creation, innovation, and securing supplies, salespeople need to understand the importance of the economic arguments of purchasing (Cheverton & van der Velde 2011, 13–16.) Professional buyers evaluate the competitiveness of the offering through objective evidence, such as price and reliable deliveries, rather than through subjective evaluation of trust when selecting the supplier (Doney & Cannon 1997).

### **Supplier segmentation**

Kraljic (1983) created a supplier segmentation or a purchasing portfolio model through which companies may define their purchasing approach and manage their purchasing operations. The model is already a very strategic one in nature. This model uses two variables: the supply risk and the purchasing's impact on the bottom line to the company. Anderson et al. (2009, 113–114; see also Cousins, Lamming, Lawson & Squire 2008, 47) further developed the original model. Products are categorized into four groups based on their customer value and customer risk related to the purchasing and using of the product. Recent studies (Miocevic & Crnjak-Karanovic 2012; Wagner &

Johnson 2004) suggest also a portfolio approach to managing supplier relationships. Figure 7 illustrates the purchasing portfolio matrix.

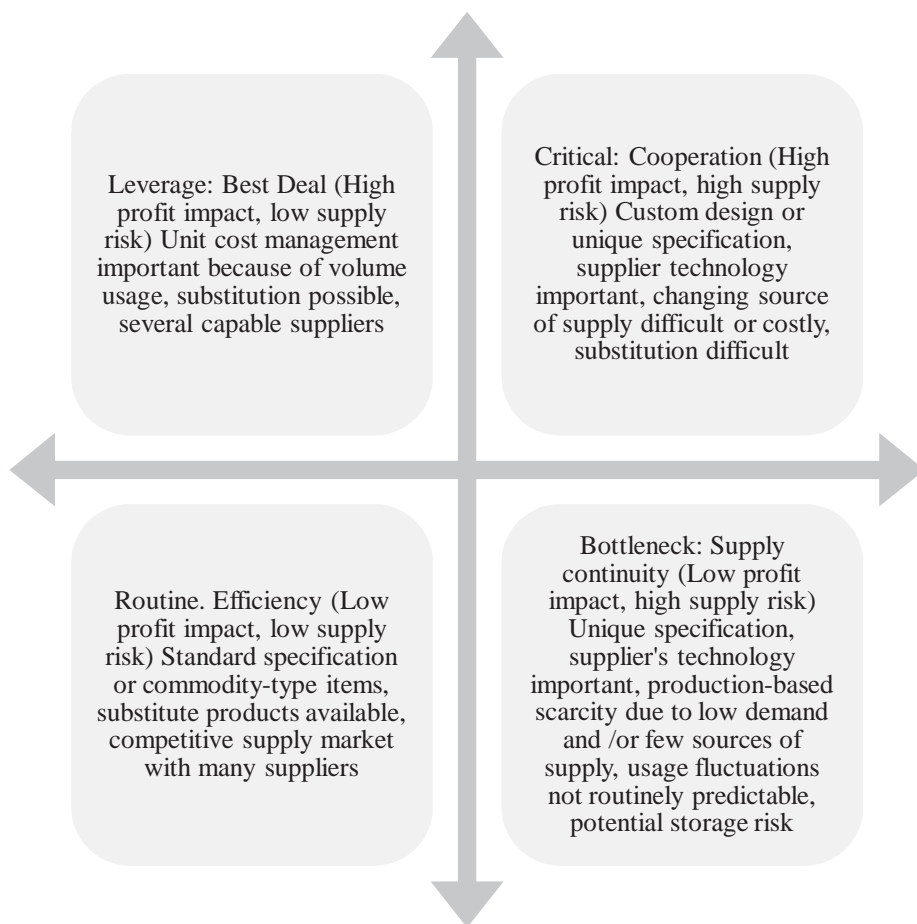


Figure 7 Purchasing portfolio matrix (original source Kraljic 1983; adapted from Cousins et al. 2008, 47)

Leverage items typically encompass raw materials, routine items maintenance, repair and operating (MRO) materials, bottleneck items essential spare parts and critical items, for example, new technology. The goal is that the categorized products create value that is based on costs, service and effective administration. The second goal is to reduce risk, which may be related to quality, availability, assurance and responsiveness (Anderson et al. 2009, 114). According to Cheverton and van der Velde (2011, 120–121), it is a huge misunderstanding that all negotiations between buyers and salespeople should

lead to win-win outcomes. Related to the purchasing portfolio above, buyers look for win-win outcomes mostly with critical items. Leverage and routine items buyers are in a strong position and want to maximize the win.

Rackham and DeVincentis (1999, 57–63) divide suppliers similarly to Kraljic into four segments: (1) shop (generic), (2) leverage, (3) manage risk (bottleneck) and (4) partner (critical). Buyers' approach to each segment differs owing to differences in importance. Customers buying shop items behave like intrinsic value buyers. Customers buying partner items seek an extraordinary level of new value creation within a limited number of suppliers. Leverage-sized items are critical to buyers but, being substitutable through several other suppliers, buyers can exploit purchasing power. For suppliers, this quadrant may be difficult unless they are able to create additional value from long-term relationships and continuous improvement efforts. Customers buying manage-risk items are less price sensitive due to their low importance but worried about being exploited by the sellers. Sellers are in a favorable position in this quadrant.

In sum, from my study's viewpoint, the most applicable purchasing concept is purchasing orientations according to Anderson et al. (2009). The other essential concepts are the buying team or center (Webster & Wind 1972), Kraljic's (1983) portfolio model, the supplier -oriented purchasing (SOP) (Humphreys et al. 2009), the purchasing process model put forward by Vitale et al. (2011) and the purchasing process model proposed by van Weele (2010). Among other criticisms, Kraljic's portfolio model has been criticized for a lack of a modern service-centric mindset. However, it still is a very applicable model, and it describes well the daily material flows of the technology industry, which still today primarily takes the form of a goods-centric logic.

## 2.5 Selling competence framework

The main purpose of the literature review is to frame the research problem, to identify the relevant concepts and to position the study (Ghauri & Grønhaug 2002, 45). To meet this objective, I explored the research related to selling competencies, knowledge and skills in the existing personal selling and sales management, and the relationship marketing literature. Because the present study is focused on buyers' perceptions of salespeople's competencies, I addressed also the relevant organizational buyer behavioral issues in the purchasing literature. The question to be answered in the review was: How does the existing personal selling and sales management and relationship marketing literature address the salesperson's selling competencies in the buyer-seller relationships. The aim is to create a deep and holistic

understanding of the selling competencies described by the various theories and research findings. Through the adoption of a multidimensional perspective and using several theories, it is possible to create a new understanding about the phenomenon (cf. Aarikka-Stenroos & Jaakkola 2012; Anderson & Kragh, 2010; Jaramillo et al. 2007; Palmatier et al. 2006). Following the recommendations of scholars, I build up the theory development on what is already known (cf. Plouffe, Holmes Nelson & Beuk 2013). The prior research referred to in the literature review forms the body of knowledge and on which this research has been positioned and which it enriches.

I integrate the traditional three-component selling skill model, relational selling competencies and purchasing orientations to create a holistic B2B selling competence framework from the buyer's perspective. Thus, the study contributes to applying a competence approach to the sales management literature. It also updates the content of current selling knowledge and skills and widens and deepens the three-component model, thus adding knowledge to the personal selling and sales management and relationship selling literature. The study identifies the knowledge and skills required in the different phases of the relationship and deepens their understanding, thus adding knowledge to the relationship selling literature. It adds knowledge to purchasing literature through addressing purchasing orientations. It creates new knowledge about contextual and generic knowledge and skills contributing to the relationship selling and the personal selling and sales management literature.

Based on the personal selling and sales management, the relationship selling and the organizational buyer behavior literature, an analytical framework for B2B selling competencies has been developed. The framework consists of knowledge-related, salesmanship, interpersonal and relationship competencies. These competencies are addressed from the viewpoint of the customer's buying, procurement and supply management orientations. Furthermore, the general competence categories contain more specific sales-related knowledge and skill elements. Competencies are viewed from the industrial purchasing decision-makers' viewpoint, building a bridge between purchasing orientations and selling competencies.

The purpose of the analytical framework is to guide and direct the research, to direct data collection in the field, to analyze and interpret the data and to find new knowledge. Following the abductive research approach and employing 'systematic combining', I have developed an evolving framework as a result of empirical findings and theoretical findings during the study process (Dubois & Gadde 2002). At the beginning of the research process, my framework was loose and emergent (Miles & Huberman 1994, 17), but towards the end of the research process, it evolved into a tight framework (Dubois &

Gadde 2002). Also, the research questions were developed during the study process. Figure 8 describes the analytical framework of the B2B selling competencies.

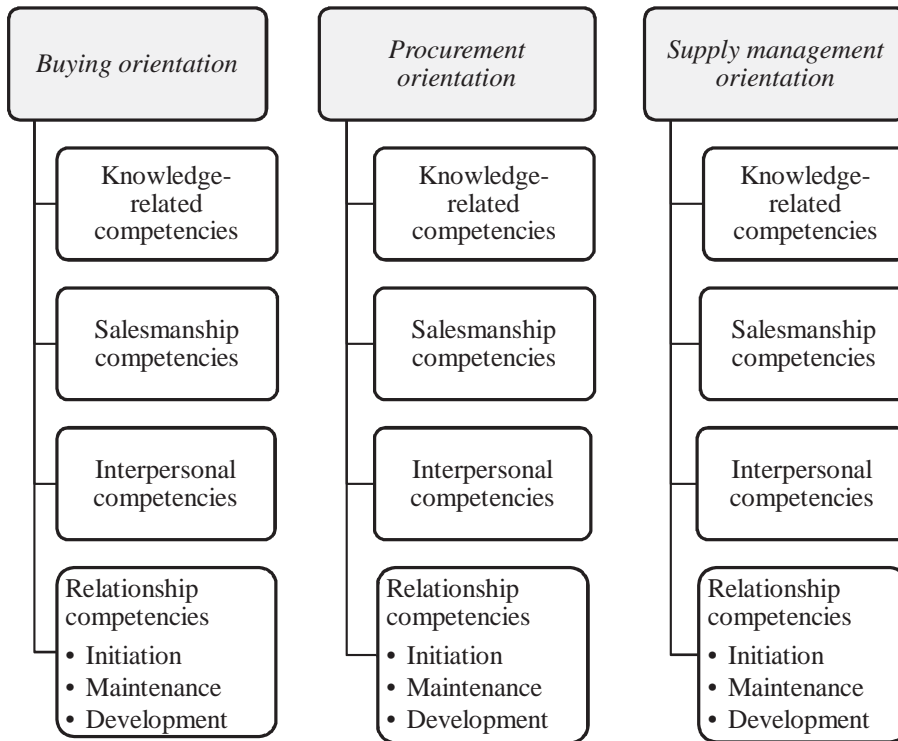


Figure 8 Analytical framework of a salesperson's B2B selling competencies

Dubois & Gadde (2002) recommend employing an analytical framework in connection with the systematic combining process. The framework shows how I analyze the selling competencies according to three different purchasing orientations: the buying, procurement and supply management orientations. Competencies to be analyzed are based on selling skills (Rentz et al. 2002) and relationship selling skills and behaviors (cf. Crosby et al. 1990; Jolson 1997; Moncrief & Marshall 2005; Weitz & Bradford 1999). The competence frame is based on the existing literature, but the content of the competencies from the buyers' viewpoint is analyzed from the data.

### 3 RESEARCH METHODOLOGY

Methodology, defined as ‘a general approach to studying research topics’ shapes which methods the researcher uses and how he uses each method (Silverman 2000, 88). Next I describe my methodological choices and data collection and analyzing processes.

#### 3.1 Qualitative research

I have chosen a qualitative research methodology for my study because the purpose of the study is to increase understanding of the salesperson’s selling competencies from industrial buyers’ perspectives and add knowledge to the existing selling competence knowledge that has been mainly created with quantitative methodologies and methods. The choice of the research paradigm is in line with the intended contribution of the study (Schurr 2007). My study is positioned in the interpretivist paradigm and is explorative in nature. It also constitutes an exploitation of qualitative methodology (cf. Silverman 2000, 9). The research problem of my study finally has guided the selection of a qualitative research approach (cf. Silverman 2000, 12).

My objective is to create a more holistic and in-depth understanding of the phenomenon compared to the picture presented in the existing literature. Through qualitative methods, it is possible to produce a wealth of detailed data about the phenomenon (Patton 1988, 9). The nature of qualitative research is holistic: data sourcing and the evidence are collected from natural and real situations. The researcher acts as a data collection instrument. The researcher attempts to uncover unexpected matters. The standpoint of the research is to examine the data in a multifaceted and detailed way instead of testing the theory. Qualitative methods are used for data sourcing in order to uncover real views and to listen to the ‘voice’ of the respondent. Purposeful sampling for selecting the target group is used instead of random or stratified sampling. (cf. Eisenhardt & Graebner 2007; Hirsjärvi et al. 2009, 164.)

Alasuutari (2011, 39, 40 245, 261, 263) points out the importance of ‘local explanation’ in qualitative research, that is, to make phenomenon in the data understandable through reduction of observations. The data are always approached from a certain theoretical or methodological perspective. He points out those raw data observations are only cues in an attempt to solve the

final 'mystery'. To reduce the limitation of qualitative research related to the generalisability of the results, I refer to prior research of the phenomenon throughout the whole research process.

Qualitative methods are especially convenient when information is needed for investigating customer behavior, to understand the preferences and attitudes of buyers, to learn about competition products and their differences, to conduct a motivational analysis of customers and to conduct a cultural analysis to understand the impact of culture in product choice and usage (Mariampolski 2001, 23-24, 35). Accordingly, qualitative methods are suitable for exploring also industrial buyers, their buying behaviors and competencies buyers provide from salespeople.

One of the most critical steps during the research process is to define and design the right research questions (Yin 2003, 7). During my qualitative research process, I specified and redefined the research questions throughout the whole study process, benefiting from the empirical data that became available (Dubois & Gadde 2002; Eriksson & Kovalainen 2008, 117).

Conducting qualitative research necessitates that the researcher get involved with the material being researched. The qualitative research emphasizes the role of the researcher throughout the research process. The experience of the researcher in the research area increases their understanding of the phenomenon, although it may also hamper the researcher in seeing certain aspects of the phenomenon. Pre-understanding in general essentially improves the understanding of phenomena within marketing (Carson, Gilmore, Perry & Gronhaug 2001, 13). Pre-understanding refers to the researcher's knowledge, insights and experience before starting the research, while understanding relates to increased knowledge and insights gained through the research process (Gummesson 2000, 57).

Due to the lack of pre-understanding, the researcher has to spend a lot of time collecting basic information, e.g. about the industry and the decision-making process. The lack of pre-understanding may even lead to misleading results (Gummesson 2000, 58, 80). When using the term pre-understanding in a wider sense than knowledge, it includes a proper attitude and commitment from the researcher's side (Gummesson 2000, 60). Pre-understanding of the researcher facilitates the understanding of the research phenomenon under scrutiny, the context of the study as a whole and the decision-making process of purchasers. I consider that my three decades' experience in different marketing and sales positions at different hierarchy levels and in several industries, including the technology industry, essentially supports my pre-understanding of the phenomenon and facilitates the data collection, analyzing and interpreting processes of the study.

Pre-understanding is subject to change, and researchers should further develop their understanding over longer periods, for example, by participating in a real-life projects, while participating in courses and studies of the literature also develops pre-understanding (Gummesson 2000, 80–81). There is always a risk that the researcher will suffer from a blocked pre-understanding by exploiting existing or the same models irrespective of the nature of the problem (Gummesson 2000, 66). Through studies and participation in company projects, I have updated my pre-understanding and aimed at avoiding a blocked understanding.

### 3.2 Abductive approach

An abductive approach is an especially recommended research approach when the objective of the research is the understanding of the given phenomenon, the discovering of new things and the development of theory instead of just theory generation (Dubois & Gadde 2002; Kovács & Spens 2005). Dubois and Gadde (2002) call the theory ‘systematic combining’ grounded in an ‘abductive logic’. The ultimate objective of ‘systematic combining’ is matching theory and reality and the researcher is ‘going back and forth between framework, data sources, and analysis’. They argue that as a result of employing abductive matching, the researcher may get deeper results from the phenomena than employing a pure inductive approach thanks to the systematic consideration of both the empirical and the theoretical world. ‘Systematic combining’ or confronting theory with the empirical world is continuous throughout the research process. The present study aims at benefitting both the empirical world and the existing literature on selling competencies by employing an abductive approach.

Abduction as a means of creating new knowledge may be viewed as a ‘middle-of-the ground’ approach between induction and deduction (Järvensivu & Törnroos 2010). However, the abductive approach is not a mixture of inductive and deductive approaches but a distinct approach emphasizing a continuous interplay between theory and empirical observations and discovering new insights (Dubois & Gadde 2002). Nevertheless, it is closer to inductive than deductive reasoning.

A key feature of the abductive approach is a theoretical framework evolving simultaneously and interactively with empirical observation (Dubois & Gibbert 2010). Tight and pre-structured frameworks are associated with the deductive approach and loose and emergent ones with the inductive one, while a tight and evolving framework applies to ‘systematic combining’ (Dubois & Gadde 2002). To get matching between theory and reality provides direction



and redirection of the study. At the beginning of the study, my framework was loose and only took a final form after the analysis phase towards the end of the research project. The verification itself is not the issue, but combining sources of evidence contribute to discovering new insights into the research problem (Dubois & Gadde 2002).

The abductive research process differs from the inductive and deductive research processes. The abductive research process begins with prior knowledge or real-life observations (Kovács & Spens 2005). In most cases, the researchers orientate themselves with the literature on the phenomenon before starting the empirical research. In the present study, I familiarized myself with the selling competence literature in addition to acquiring my pre-understanding through the practical experience in the domain of the research topic. Without prior knowledge, it is impossible to identify gaps in the literature or to formulate tentative research questions. Also, conducting an empirical study among professional respondents requires a wide understanding of the topic to have the confidence to do so. However, various authors suggest that abductive reasoning starts at the moment when there is a contradiction between real-life observation and prior theories.

For the purpose of this study I have adopted a 'systematic combining' and abductive approach (Dubois & Gadde 2002). I have utilized a priori theoretical framework in collecting and analyzing the empirical data and completed the frame after several rounds of analyzes. I have matched theory and reality by going 'back and forth' between theory, data, analysis and my own pre-understanding to generate new insights, concepts and theory development. After the coding and categorizing phases and a description of the interviewees' responses, I contrasted the findings systematically with prior theories. In the present study, despite the generic a priori framework, the analysis phase was mostly data driven. The most significant redirections in the study occurred as a result of the findings of the pre-study phase and after the first version of manuscript which led to emergence of purchasing orientations. These critical phases in the research process improved my pre-understanding and compelled me to search for new theoretical viewpoints.

### 3.3 Data collection

The field study was conducted in three stages: the pre-study, the main study and the follow-up study to find additional information for data analysis.

### 3.3.1 *A purposive sampling approach*

Before selecting the companies to be included in the research, there was a discussion with the Adviser of The Federation of Finnish Technology Industries of South-western Finland about the role the technology industry in general was taking and its status. Potential target companies and key informants regarded as opinion leaders or strong influencers and leading companies in the branch to be included in the study were also discussed. Based on this information, the sampling was purposively (e.g. Silverman 2000, 104) done. It consists of 30 companies and their purchasing decision-makers. Purchasing managers and directors were selected as they primarily interact with salespeople (Powers & Reagan 2007). Gaining access to appropriate organizations was surprisingly straightforward, and only three companies refused to participate in the study, referring to the company policy or time pressures. The sample covers all of the main sectors inside the technology industry, different company sizes based on their revenues and companies that ranged from being publicly to family owned. The type of ownership varies from local to international companies. The sectors are electronics and electro-technical industries, mechanical engineering industries and metals industries.<sup>17</sup> The total member number of technology industry companies in southwest Finland was 113, of which 30 companies participated in this study (27%). The total number of technology industries member companies in Finland came to 1,600 companies, covering 90% of all technology industry companies in 2010–2011. Table 8 illustrates the distribution of the companies in the sample in categories by turnover, purchasing volume and ownership country.

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<sup>17</sup> NACE-codes (Statistical Classification of Economic Activities in the European Community): Metals industry (24), mechanical engineering industries (25, 28, 29, and 30), electronics and electro-technical industries (26, 27, 32.5).

Table 8 Distribution of companies in categories by turnover, purchasing volume and ownership in 2010–2011

<i>Category by turnover million euro (€)</i>	<i>Number of companies</i>	<i>%</i>
Small, ≤ €10	1	3
Medium-sized > €10 ≤ €50	18	60
Large > €50	11	37
<b>Total</b>	<b>n=30</b>	<b>100</b>
<i>Category by purchasing volume million euros (€)</i>		
> 4 ≤ 10	8	27
> 10 ≤ 20	11	37
> 20 ≤ 50	7	23
> 50 ≤ 500	4	13
<b>Total</b>	<b>n=30</b>	<b>100</b>
<i>Category by ownership</i>		
Finnish	20	67
Foreign	10	33
<b>Total</b>	<b>n=30</b>	<b>100</b>

Only one of the companies was classified as a small company, eighteen or a majority of the companies as medium-sized, and eleven as large companies. The annual purchasing budget varied from €4 million to €500 million. On average, the share of domestic purchasing and the share of imports were 50:50. The main import countries were Sweden, Germany, Italy, the Netherlands, the UK, China, Taiwan, India, the US, Poland and France. The majority (67%) of the companies were Finnish owned, and the ownership of foreign companies (33%) represented seven countries.

Table 9 summarizes the number and positions of interviewees of the pre-study and the main study.

Table 9 Number and positions of interviewees in the pre- and main study

<i>Positions of interviewees</i>	<i>Number of persons</i>
Managing director	5
Material manager	4
Purchasing manager	4
Procurement manager	2
Purchasing director	2
Purchaser	2
Vice President, procurement and logistics	2
Director, Global Sourcing	1
General Manager	1
Product Development Engineer	1
Project Adviser	1
Regional Manager	1
Sales and Procurement Manager	1
Sourcing Manager	1
Supply Chain Manager	1
Vice President	1
	<b>n=30</b>

The average age of the interviewees was 46 years. They represented several hierarchical levels in purchasing decision-making. Their educational background was engineering (26/30) and commercial (4/30). The gender distribution was 27/3 male to female. The average work experience of the interviewees in purchasing or management tasks amounted to 16 years.

### 3.3.2 *Interviewing as data collection method*

There are three important principles when collecting data that have an impact on the quality of a study. Firstly, the use of multiple sources of evidence increases the quality of the study. Secondly, a study data base is needed in order to properly organize the collected data. Thirdly, the chain of evidence, that is, the links between the questions and the data, and the conclusions, increases the reliability of the information. (Yin 2003, 83, 97, 105.) In this study, the main data sources are face-to-face interviews with purchasing decision-makers. Also customers' webpages and documentation provided by the respondents were used to complete the interviews. Word and Excel were used for building and managing the data base. The chain of evidence is shown through transparently describing the research process and through illustrative quotes by the respondents.

To conduct a high-quality study, the investigator has to have special skills and the investigator has to be a well-trained and experienced person. There is a continuous interaction between the theoretical issues and data collection, and unexpected issues can appear during the data collection, providing a new orientation and reaction. The investigator should manage the asking of right questions and interpreting the answers. He should also be able to listen to the person to be interviewed. Adaptation skills and flexibility are needed in order to react to new situations. The investigator should manage the issues being researched and also be sensitive and responsive to the evidence that is unexpected or conflicting (Yin 2003, 57–59.) I encouraged the respondents to think openly, expressing their feelings and knowledge, and to reflect on their experiences with salespeople (cf. Patton 1988, 140–141). It was in a way rewarding when the interviewees every now and then during the course of interview concluded that they had not thought about the issue from the point of view I asked it. The trustworthiness of the study greatly depends on the methodological competence and sensitivity of the researcher (Patton 1988, 8).

The key informant method was used for data collection. When selecting a key informant, they have to be (1) knowledgeable about the phenomenon under the study and (2) able and willing to communicate with the researcher (Campbell 1955). My key informants included actors from different hierarchical levels and functional areas (Eisenhardt & Graebner 2007). The long experience of the investigator in selling and purchasing functions and customer relationship management assisted natural but professional interaction with the key informants and facilitated data collection.

The interview as a data collection method was chosen for several reasons. I wanted to emphasize the role of the respondent as a subject and as an active actor because the phenomena were poorly understood. In addition, when conducting the interview, I could at all times clarify and enrich the replies by asking more specific or probing questions (Hirsjärvi et. al 2009, 205). I observed also the expressions of the respondents during the interviews, but not so much the gestures due to the fact that the respondents tended not to gesticulate a great deal.

I used semi-structured interviews with open-ended questions, also called ‘in-depth interviews’ (cf. Carson et al. 2001, 73; Hirsjärvi et. al 2009, 208; Patton 1988, 108). I created the topics in advance, but the interviews were informal and I changed the wording and order of questions to meet specific situations (Eriksson & Kovalainen 2008, 82). In-depth interviewing for interpretive research is a powerful research method (Carson et al. 2001, 90). With this method, it is possible to gather rich and meaningful data from under-researched topics.

When using the in-depth interviewing method, the number of respondents can vary from 5–50 (Mariampolski 2001, 49). Based on general research literature, the number of interviews needed to reach saturation point would be about 30 (cf. Carson et al. 2001, 104). This number of interviews should provide a sufficient and comprehensive picture about the phenomenon in question. Following this instruction, I conducted a total of 30 interviews. I surmised that I had reached the saturation point of the data because the collection of additional information appeared to serve mostly to confirm an emerging understanding and, on the other hand, I could anticipate what would follow (cf. Onwuegbusie, Dickinson, Leech & Zoran 2009). Afterwards, I see that in these kinds of studies, around 30 interviews is justifiable because interviews in real-life situations may not be successful for many reasons, such as the motivation of respondents, time pressures and the chemistry between the interviewer and the interviewee, and important insights may remained unnoticed due to a smaller number of interviews being conducted.

### *3.3.3 Data generation process*

Data in a social environment, for example, within a company, do not exist as ready objects to be collected as such, but data are generated or constructed by the researcher (Gummesson 2005). Based on this notion, I use the term data generation instead of data collection in this study.

The motivation letter and the invitation to participate in the research were sent in advance to the managing director of small and medium-sized companies or the purchasing director or manager of the larger companies. The final interview schedule was agreed later with the participating person by phone. The setting up and conducting of the fieldwork is the central activity of any interpretive and qualitative research methods (Patton 1988, 16; Walsham 2006). The interview guidebook was prepared to plan the interview, to ensure that all topics were covered and that the same information was obtained from all respondents as a result of a specific list of questions or topics to be explored (Patton 1988, 111). The interview topics were derived from the tentative theoretical framework and covered the topics related to technical knowledge, salesmanship skills, interpersonal skills, and relationship selling skills (See Appendix 4: Interview themes).

Each interview was opened with general small talk to create a nice atmosphere and by asking general, warm-up type questions and demographic questions about the key informant and the company. The aim of the research was clarified in more detail compared to the prior telephone conversation. The approval for tape recording the interview and the timeframe for the interview

were also confirmed at the beginning of the conversation. The confidentiality and anonymity questions were clarified. When citing an original expression, the anonymity had to be assured, and the names of the interviewees and the companies were handled confidentially. Each interview took one-and-a-half to two hours on average. All interviews were recorded to increase the accuracy of data collection and to allow the interviewer to be more attentive to the interviewee (cf. Patton 1988, 137). None of the respondents refused the tape recording, and it did not seem to disturb them or to decrease the openness of the conversation either. The interviews were conducted in the offices of the respondents in the connection of the factory or the region of south-western Finland, except for one, which took place in the respondent's home office. The interviews were carried out in a conversational atmosphere, and the role of the researcher was defined as an 'involved researcher' instead of 'outside researcher'. However, it was important to avoid becoming socialized to the views of the respondents (cf. Walsham 2006). Appendix 5 is an example of the interview questions and conversation.

During the pre-study stage, after opening the interview, the interviewer presented the first general question: 'How would you describe a competent salesperson, a professionally behaving salesperson in your industry?' Then probing questions were asked based on the replies to the above main question. With this kind of questioning, the respondents proposed topics that they regarded as important (Beverland 2001). After discussing this theme, the interview continued with the question 'How would you describe an unskilled, unprofessionally behaving salesperson?' Beside the above general questions, special topics were discussed and the respondents were encouraged to mention positive or negative or critical experiences related to salespeople's selling competencies.

The target of the pre-study (2010) was to learn to interview, to better manage the data, and to learn and test the data gathering and analyzing methods. There was no lack of interaction between the interviewer and the respondent, but I found quite soon that the respondents felt uncomfortable to answer probing questions concerning exceptional experiences. I had to modify the questioning technique and adopt a more general questioning style.

The main study (2011) interviews followed the structure of the pre-study in general, and the interview topics remained the same. However, the findings of the pre-study were taken into consideration when conducting the main study interviews. For this reason, the importance of offering solutions, relationship maintenance and value added creation were of special interest during the interview. The respondents were not encouraged to mention positive or negative or critical experiences. Instead, most open-ended questions were

formulated as follows: ‘what do you appreciate or value most in a salesperson’s selling skills and behaviors?’.

Having a transcription of interviews means typewriting the text. The accuracy and the extent of transcription depends on the purpose to which the text is used (Hirsjärvi et al. 2009, 222). The interviews were transcribed by the researcher within a couple of weeks of the interview date. The data for the pre-study, 10 interviews, were collected between June and September 2010. The last transcription of the first round was written at the beginning of October 2010. The data for the main study, 20 interviews, were collected between March and July 2011. The last transcription of the second round was written at the beginning of July 2011. The transcription of each interview took from four to eight hours on average. When I transcribed the interviews myself, I got a real feel for the data, and, in a way, I could return to the interviewing situation. The time consumed was paid back during the analyzing stage. The number of open-ended questions and clarifying questions per interview varied between 45–55 questions. The total of transcribed, single-paged A4 pages, including the pre-study and main study, amounted to 320 pages and 30 contact sheet pages. Immediately after the interview, a one-page contact summary sheet about demographic facts and a general impression of the conversation was written. Table 10 summarizes the data generation stages.

Table 10 Data generation

<i>Data generation stages</i>	<i>Number of interviews</i>	<i>Interview periods</i>	<i>Number of transcribed pages</i>	<i>Number of contact sheets</i>
Interviews for the pre-study, face-to-face	10	Jun–Sept 2010	125	10
Interviews for the main study, face-to-face	20	Mar–Jul 2011	195	20
Follow-up interviews, by e-mail and phone	30	Jan–Feb 2013		30
<b>Total</b>	<b>60</b>		<b>320</b>	<b>60</b>

For analysis purposes, a follow-up interview was conducted by phone and e-mail in January and February 2013. Respondents were asked to comment and confirm their purchasing orientations. All original respondents (n=30) could be traced, and all of the responses were received thanks to having access to the informants.



### 3.4 Data-driven analysis

The general inductive approach (Thomas 2006) provides a systematic set of procedures for analyzing qualitative data and, at its best, it can produce reliable and valid findings. As for the analysis strategy, business researchers prefer an inductive strategy when analyzing the data in order to reveal unexpected issues (Eriksson & Kovalainen 2008, 129; Hirsjärvi et al. 2009, 161). However, the analysis of the data also includes some deduction because the researcher has some prior theoretical issues to be discussed in the data analysis (Carson et al. 2001, 101). I aimed at condensing raw data into a summary format, establishing clear links between the research objectives and the findings derived from the raw data. I let the research findings emerge from the data (Thomas 2006). Table 11 illustrates the differences between the two main most applicable or potential qualitative analysis approaches.

Table 11 Comparison of qualitative analysis approaches (adapted from Thomas 2006, 241)

	<i>General Inductive Approach</i>	<i>Grounded Theory</i>
Analytic strategies and questions	What are the core meanings evident in the text and relevant to the research objectives?	To generate or discover theory using open and axial coding and theoretical sampling
Outcomes of analysis	Themes or categories most relevant to research objectives identified	Theory that includes themes or categories
Presentation of findings	Descriptions of most important themes	Description of theory that includes core themes

The general inductive approach differs from the grounded theory mostly in coding process and theory generation while the inductive approach limits theory building to the presentation and description of the most important categories. In addition to inductive analysis, I also employed an abductive approach to match inductively-found empirical findings with the existing theories, aiming at arriving at reliable and valid findings (Dubois & Gadde 2002). Thus the early stage of the analysis was inductive while the final stage was abductive.

Keeping things within context is a fundamental principle of qualitative analysis (Patton 1988, 162). The analysis, interpretation and drawing of conclusions are the core matter of the research, and during the analysis phase, the researcher finds out what kind of replies he is getting to his research

questions (Hirsjärvi et al. 2009, 221). Interview responses can be treated as giving direct access to 'experience' or 'incident' or, as actively constructed, 'narratives' (Holstein & Gubrium 1995; Silverman 1993). In this research, interview responses are treated as buyers' experiences from real life and expectations related to salespersons' selling competencies. The data generation method involving face-to-face interviews and frank and fair behavior of respondents support a realist approach to interview data. Before data collection and analysis, I decided that the responses to open-ended questions were units of analysis. These units of analysis, called also segments or chunks, can consist of phrases, sentences or paragraphs (Carson et al. 2001, 83; Ryan & Bernard 2000, 769–770).

I generated, analyzed and interpreted data simultaneously, and I also drew tentative conclusions during the fieldwork phase (Gummesson 2005), meaning that the analysis did not start at any exact moment. To draw the final conclusions, I checked and corrected the data, completed it and organized it for analysis and storage purposes, and employed theme analysis as the analysis method (Hirsjärvi et al. 2009, 222, 224). When analyzing, I also employed data reduction (Miles and Huberman 1994), consisting of selecting, focusing, simplifying, abstracting and transforming the data in transcriptions (Miles & Huberman 1994). In fact, the data reduction occurred throughout the whole research process, even before the data collection started (Miles & Huberman 1994, 10–11).

Spiggle (1994) suggests that categorization, abstraction, comparison, and integration are basic analytical operations enabling the construction of a coherent conceptual framework or explanation of the phenomenon being studied. Categorization consists of giving labels to meaningful information of the phenomena found in the data. Raw codes were categorized as specific, major and general categories. Abstraction is based on categorization, grouping identified categories into more general categories. When abstracting and building major competencies, I combined common features found in the data as an individual's experiences to increase the theoretical significance of the constructs. When forming coherent patterns through identifying unified themes, I produced an interpretation of interpretations (Spiggle 1994).

Comparison explores differences and similarities between categories, and integration of categories leads to new theories (Spiggle 1994). Through dimensionalization, properties of categories can be identified. Similar specific knowledge and skills of all three orientations were labeled as 'generic specific knowledge and skills', and if they differed by orientation, as 'contextual specific knowledge and skills, meaning that they were dependable on the purchasing orientation. When comparing specific categories, dimensionalization of categories was conducted based on scaling: similarity, nuance

difference, essential difference, and no evidence (cf. Spiggle 1994). Analysis of the study started before the coding and categorization process. After each interview, I analyzed and made a summary of the meeting in order to get a big picture of the topics just discussed.

### 3.4.1 *Coding process*

I followed fundamental analytic practices during the data-analysis phases, such as familiarizing myself with the data by close and detailed reading of data, systematically coding the data, reflecting on why I had done what I had done, reviewing and refining codes or coding practices, focusing on what the key codes and the relationship between them were, and always making notes of my thinking (Rapley 2011, 276–278). I used a thematic analysis, which is also referred by other terms, such as template analysis or code book analysis. I generated a list of codes that represent themes identified in the data. Template analysis is more flexible than grounded theory, which provides strictly specified procedures to be followed (King 1998, 118–119; Rapley 2011, 274).

The purpose of codes has been defined as ‘retrieval and organizing devices that allow the analyst to spot quickly, pull out, then cluster all the segments relating to a particular question, hypothesis, concept, or theme’ (Miles & Huberman 1994, 57). I used the code as a label to enable an easy identification of a section in the data relating to a theme or issue that I had identified as crucial from an interpretative point of view (King 1998, 119–120). When conducting template analysis, the codes are organized hierarchically, and similar codes are clustered together, forming more general higher-level codes. I formed codes at four levels. Too many levels of coding may lead to confusion and may have a negative influence on organizing and interpreting the data. I also conducted parallel coding of segments of data, i.e. the same segment was classified within two or more different codes. In fact, there are no absolute rules for thematic coding, and the researcher can define an approach that is suitable to his study. I balanced the need to be open to the data and the need to have some structure on the analytical process. Too much openness is likely to lead to an incoherent result, and with too tight a structure, there is a risk of losing the benefits of the qualitative research (King 1998, 133).

There are two basic ways to create codes: ‘in vivo’ coding or capturing the codes directly from the data, using the language of the respondents, or constructing codes sociologically or theoretically (Strauss 1987, 33–35; Bazeley 2007, 76–77). Using sociologically or theoretically-constructed codes reflects an ‘emic’ approach (insider’s view) of the analysis. It provides also that the researcher should know the subject under study deeply in advance. In

the raw coding stage, I employed 'in vivo' coding and in the later stages, I theoretically constructed the codes.

The coding process of the study interviews was conducted in the following steps (cf. Thomas 2006; Tuomi & Sarajärvi 2009, 109):

1. The interviews were transcribed word for word by the researcher.
2. Each respondent's interview response was tabulated using Word and Excel programs.
3. The tabulated interview responses were 'deep-read' by highlighting the interesting topics of the responses from the research question's viewpoint. The raw text was read several times to gain an understanding of the themes covered in the text, exploiting also the pre-understanding of the phenomenon.
4. The raw codes were created 'in vivo' and organized under more general themes based on the literature. The target of the coding was not to 'reinvent the wheel' but to make the findings comparable with the prior findings and also to deepen understanding through exploring how selling competencies manifest themselves in buyers' talks. Parallel coding of segments of interview responses were used; the same segment was classified within two or more different codes.
5. **Creation of categories:** Themes or categories were identified from the raw codes by comparing similarities and differences. The specific themes that emerged from the raw data capture the core message of the interviewees.
6. Until now coding was organized by interviewees. From now on, the specific codes of all 30 interviewees were aggregated and codes were tabulated by specific themes.
7. Overlapping and opposite codes were combined. Most of the codes,  $N < 3$ , were eliminated. The specific themes were abstracted into major themes and, finally, into general categories derived from the framework.
8. Analytical memos were written by hand in connection with the specific coding, using a separate notebook and focusing on relationships between the codes, whether they support or contradict each other.
9. Balancing between the empirical world and the theory according to the abductive process affected the coding process. The main stages were as follows: The first time – after the pre-study, the coding was based on the positive and negative experiences of the interviewees. The second time – the main study was coded inductively but the framework guided the coding process too tightly, preventing the themes to fully emerge from the data. The third time – the data were divided into three sections according to the purchasing orientations that emerged from the data, and data-driven coding was completed.

### Example of coding and categorizing process

*It hinges on how salespeople devote themselves to our processes by interacting with a variety of people in our company. Buyers and engineers are naturally involved, and at best, it's innovating in concert with our engineers. That's the 'dream', to come up with something better together, by joining forces. Salesperson must recognize the need and based on that he must bring appropriate experts with him. (Vice President 18PO)*

The above 'chunk' resulted in five different 'raw codes', seven different specific codes, six major codes and, finally, three different general category codes. 'Salespeople devote to our processes by interacting with a variety of people' was parallel-coded into two specific codes: Ability to show a desire to investing in understanding the customer's business and requirements and the ability to build person-to-person relationships. Also 'innovating in concert with our engineers' was parallel-coded into two specific codes: ability to engage in dialogue and ability to suggest a solution. Table 12 illustrates the coding and categorizing process of this study.

Table 12 Example of coding and categorizing process

<i>Raw code &gt;</i>	<i>Specific code &gt; Specific category &gt; Specific knowledge and skills</i>	<i>Major code &gt; Major category &gt; Major knowledge and skills</i>	<i>General category &gt; Selling competencies</i>
<i>1. Salespeople devote to our processes by interacting with a variety of people.</i>	Ability to show a desire to investing in understanding the customer's business and requirements.	Relationship skills in the initiation phase.	Relationship competencies
<i>2. Salespeople devote to our processes by interacting with a variety of people.</i>	Ability to build person-to-person relationships.	Ability to nurture the customer relationship.	Relationship competencies
<i>3. Innovating in concert with our engineers.</i>	Ability to engage in dialogue.	Understanding customer requirements.	Salesmanship competencies
<i>4. Innovating in concert with our engineers.</i>	Ability to suggest a solution.	Ability to create a customized solution.	Salesmanship competencies
<i>5. To come up with something better together, by joining forces.</i>	Ability to suggest improvements to the customer's product and processes.	Salesperson's proactivity in the development phase.	Relationship competencies
<i>6. Recognize the need.</i>	Recognizing customer needs.	Understanding customer requirements.	Salesmanship competencies
<i>7. Bringing appropriate experts.</i>	Ability to provide intraorganizational resources.	Knowledge brokering	Knowledge-related competencies

The total number of 'chunks' or replies to interview questions, including the pre-study and the main study, resulted in approximately 1,200 relevant original expressions. The reduction process resulted in approximately 2,000 reduced expressions or 'raw codes' for further analysis and interpreting purposes. A total number of 52 specific categories were developed inductively from the 'raw codes', and a total number of 19 major categories were developed from the specific categories through the abstraction. A total number of four general categories were formed from the major categories based on the framework.

### 3.4.2 *Interpreting and presenting analysis*

After the analysis, the results had to be interpreted. Interpreting means clarifying and considering the meanings arising from the analysis. Furthermore syntheses have to be created from the results. The syntheses collate the main issues and reply to the research questions (Hirsjärvi et al. 2009, 229-230). The objective of the analysis is to arrive at a profound understanding of the research subject through the methodical interpretive process of the hermeneutic circle. Gummesson (2000, 70) describes the hermeneutic circle through the statements: 'no understanding without pre-understanding and an understanding of the parts assumes an understanding of the whole'. In this study, the analyses and interpretations are construed by juxtaposing the interviewees' experiences, the author's pre-understanding of the phenomenon, the codes, the original data, the memos created while coding and the theory.

There are no strict rules on how the researcher should interpret the coded data. Interpretation of others' experiences cannot be presented in a linear way due to their subjective and intuitive nature. Interpretation for this reason cannot be viewed as a set of procedures, but interpretation is a result of emergent and holistic understanding (Spiggle 1994). The interpreting strategy depends on the aims and content of a particular study. Listing codes, selectivity, and openness as guidelines for interpreting are recommended. Listing of all codes in each transcription gives a rough indication of frequency, and the distribution of codes can draw attention to certain points of data needing further examination. However, the differences in frequencies of codes do not tell anything meaningful about the data in a qualitative study, but counting and comparing frequencies help the researcher to rethink certain areas in the data (King 1998, 130-132). When listing the codes, all of them have systematically been examined before formulating the interpretation. Also, the memos written during the coding process have been re-examined. When interpreting the data I allowed the research findings to emerge from the frequent, dominant and significant themes traced in the raw data (cf. Thomas 2006) by matching the reality and the theory (Dubois & Gadde 2002).

Practical considerations generally determine the level of specificity and generality used in reporting the data or requirements. The validity may decrease due to a high generality (Butterfield, Borgen, Amundson & Maglio 2005). Miles and Huberman (1994) suggest that reporting the data should include as high as 50-75% original expressions of respondents in order to show the richness of the data, while Carson et al. (2001, 200) suggest that there have to be many citations mixed with the interpretations, and that the reader can act as a co-analyst with the investigator. A good qualitative research report combines an intense data description with scientific writing, in

which the investigator adjusts theoretical syntheses from the research literature to their own text (Hirsjärvi et al. 2009, 262). Alasuutari (2011, 295) recommends employing citations like a writer in a novel employs dialogue or lines. When reporting the research results, I have combined the suggestions of all of the above-mentioned authors.

In this study, specificity and openness, especially, have guided the interpretation to keep the study data driven. I continuously evaluated and made choices on what is more or less important in the data based on the research questions (Thomas 2006). The researcher's interpretations are presented alongside the original expressions that characterize the phenomenon the most accurately and comprehensively in an attempt to highlight their inter-relations and to hopefully animate the report too. Interpretation is also included in the summaries where I compare my findings with the existing literature. The whole results section was first written in Finnish and then translated into English. The original citations were left to be translated by a professional translator to secure the authenticity of the original expressions. To ensure anonymity, the names, positions and companies of the interviewees were not disclosed. The summaries of interpretations show how I have conducted the matching between theory and empirical observations.

Data collected by follow-up interviews concerning purchasing orientations were listed, open-end questions were analyzed thematically and all the data were contrasted with the data collected through face-to-face interviews.

### **Writing analytical memos**

Researchers are encouraged to write analytical notes or memos throughout the whole study process, but especially during the analysis process, where, by reflecting and writing memos, thoughts and insights, the researcher can transfer the analysis from the basic format to the creative one (Marshall & Rossman 2006, 161). Reflections may relate, for example, to what the relationship with respondents felt like after the interview, what the respondent actually was saying, doubts about the quality of data (Miles & Huberman 1994, 66; 73). This kind of reflection was conducted when writing the contact summary sheet after each interview and when writing the transcriptions using margins and a separate notebook. Writing memos during the coding stage, in particular, should be systematic. The researcher is writing memos to himself, and secondarily to colleagues. Memos are written to conceptualize the data. They help make sense of the data.

Memos vary depending on the researcher and the data, and for this reason, no single, systematic procedure for memo writing exists (Charmaz 2006, 82). They may include defining and clarifying codes and categories, making comparisons between data and data, data and code, codes and codes, codes



and categories, categories and categories or identifying gaps in the analysis. Memo writing assists the researcher to develop the ideas in narrative form during the analyzing process. Memo-writing was an essential element when coding the data of this study. A separate notebook was used for this purpose. Each interview transcription was complemented with an analytical memo.

### **Handling contradictory data**

In the analysis and interpretation, the voice or tone of the respondents' interviews were not taken into consideration but regarded as accepted as such. Because of the respondents' direct and honest way of communicating, there was no need to try to interpret voices and tones of speech. Only in a few cases, where the data was conflicting and further and deeper analysis and a logical reasoning were needed to understand the response, was an effort at interpretation made. Noting the context in which the response was stated and using the pre-understanding, the problem of conflicting data could be resolved. For example one interviewee replied that communication would be an important added value factor. Actually, on further communication, he meant getting things done or after-sales services, which occurred after the interview was completed. Secondly, one interviewee mentioned that the salesperson's characteristics have no impact on his purchasing decision. However, at the same time he emphasized that social events organized by the salesperson were important. My interpretation was that the salesperson's social skills and ability to build personal relationship had an influence on the buyer's decision-making, in this case at least to some extent.

### **Summary of the phases of research process**

Figure 9 is a simplified picture of my research process summarizing the main phases. In reality, the process was not a linear process one proceeding from the recognizing of the research topic to the final conclusions but more a cyclical one encompassing a lot of advancements but also missteps.

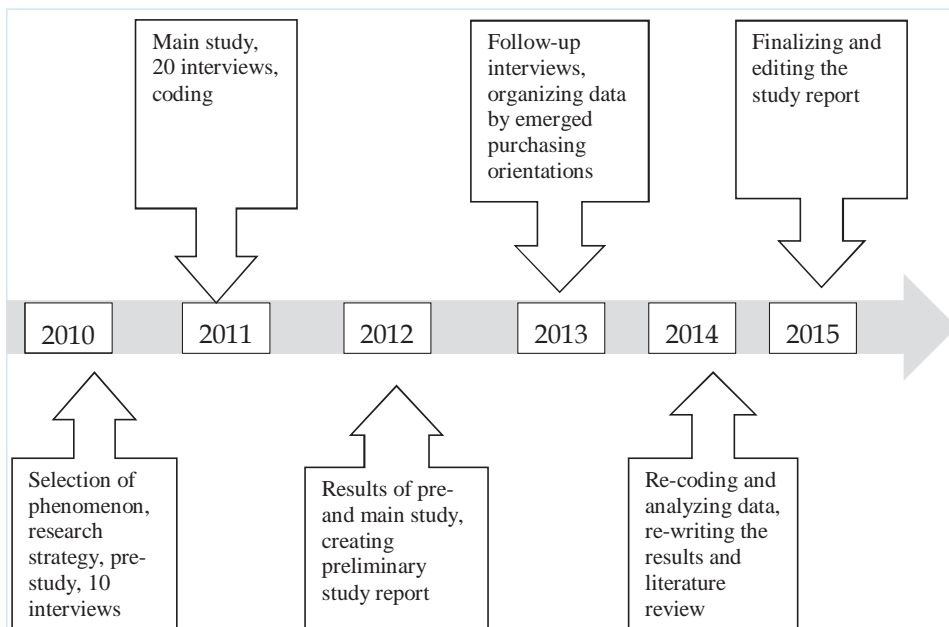


Figure 9 Timeline of the research process

The figure gives a rough idea of my research process. The main milestones were closing the topic, conducting the pre-study, conducting the main study and taking into consideration the results of the pre-study in this phase, the emergence of purchasing orientations, re-coding and analyzing the data and the final report's edition. Between these phases, the theoretical studies took place, guiding the whole research process.



## 4 INDUSTRIAL BUYERS' PERCEPTIONS OF SALESPEOPLE'S COMPETENCIES

The research results are analyzed and presented by purchasing orientations – buying, procurement and supply management. The analysis is based on the main orientation of each customer identified and validated with the buyers during the study process. In addition, results are presented according to four competence categories – knowledge-related, salesmanship, interpersonal and relationship competencies. These competencies are analyzed to find out:

- How do selling knowledge and skills related to various competence areas manifest in the buyers' talks?
- What is compatible with the current literature?
- What is in contradiction with the current literature or totally new knowledge?
- Do the most central selling knowledge and skills related to various competence areas differ according to the buyers representing different purchasing orientations?
- What kinds of nuances exist in selling knowledge and skills related to various competence areas between the buyers?

In accordance with the research questions, the research results are considered by analyzing the competence areas of skilled salespersons from the point of view of buyers at an individual level. Salespeople and buyers cannot be totally separated from their firms, and, for this reason, the individual and company level may overlap in some cases, although the main focus is on the individual level between the buyer and the salesperson.

The author identifies and analyses the key themes of the phenomenon on the basis of compressed original descriptions of the phenomenon by the interviewees. The raw data codes were created from these compressed original expressions, and they were then categorized into specific and major categories. The author's interpretation is presented alongside the original expressions, which illustrate the phenomenon the most accurately and comprehensively, in an attempt to highlight their inter-relations and also to animate the paper. To ensure anonymity, the names of the interviewees or their companies are not disclosed. Matching theory and reality (Dubois & Gadde 2002) and further interpretations is conducted according to the major categories. Conclusions on the relations between selling competencies and the customer's purchasing orientations are presented.

#### 4.1 Buyers' purchasing orientations as a context for selling competencies

Purchasing orientations of the companies under study were evaluated by the researcher based on the original interviews conducted in 2010 and 2011. The categorization of the orientations was carried out following the definition by Anderson et al. (2009, 96–97): (1) buying orientation, (2) procurement orientation and (3) supply management orientation. Orientations employed by each customer were afterwards, in 2013, verified with the interviewees. The verification was received from all participants (response rate of 100%).

Orientations by the researcher and by the participants differed slightly from each other's evaluation in respect of procurement and buying orientations, which was a bit of a surprise. The interviewees verified the buying orientation instead of the procurement orientation in more cases as the main orientation compared to the researcher's evaluation, although the procurement orientation as a whole was the most typical main purchasing orientation. In face-to-face interviews, they emphasized the long-term perspective with the suppliers and, for this reason, the researcher evaluated that the buying orientation would be the main orientation in much fewer companies. On the other hand, the importance of price was the topic during the whole interview process, which indicated the central role of buying orientation in the companies. A crucial and interesting result of the verification interview was that all but three respondents emphasized that besides the main purchasing orientation they apply also one or two other orientations side by side depending on the product categories and the supply and competition situation. These findings are supported by Grönroos (2006), who points out that the same customer may employ transactional or relational modes parallels, depending on the type of the products, the firms or the situation. Table 13 illustrates the purchasing orientation profiles of the companies based on the respondents' interpretations of their purchasing orientations.

Table 13 Purchasing orientation profiles of the companies

<i>Main orientation</i>	<i>Other orientation(s) in use</i>	<i>Number (n=30) and percentages of companies using orientation(s)</i>
Procurement		2
Procurement	Buying	3
Procurement	Buying, Supply management	7
Procurement	Supply management	2
		<b>Total 14 (= 46%)</b>
Buying		1
Buying	Procurement	5
Buying	Supply management	3
Buying	Procurement, Supply management	2
		<b>Total 11 (= 37%)</b>
Supply management	Procurement	2
Supply management	Buying, Procurement	3
		<b>Total 5 (= 17%)</b>

Table shows that the procurement orientation was the main purchasing orientation, representing 46% of the companies. The buying orientation was applied by 37% of the companies, and the percentage of the supply management orientation was 17%. Companies applying only one orientation amounted to  $3/30 = 10\%$ , companies applying one optional orientation amounted to  $15/30 = 50\%$ , and companies applying two optional orientations beyond the main orientation were  $12/30 = 40\%$ . The supply management orientation is close to the strategic purchasing orientations (cf. Carr & Pearson 1999). Pressey et al. (2009) found in their study among UK small and medium-sized companies that only 12% of the companies applied strategic activities in purchasing. Ramsey (2001) claims that strategic purchasing might be irrelevant for small and medium-sized companies, and purchasing activities are intrinsically operational in nature. In my study,  $9/30 = 30\%$  of the small and medium-sized companies applied supply management orientation as the main or another orientation. Supply management orientation was adopted by  $19/30 = 63\%$  of all companies as a main or other orientation. In a US study, Paulraj et al. (2006) found that about 75% of medium-sized and large companies had adopted strategic purchasing at least to some extent. The results of the US and Finnish studies are not comparable due to different sample sizes and the difference between the concept of strategic purchasing

and supply management, but they indicate the growing importance of strategic purchasing in medium-sized and large companies.

The majority of the companies applying the procurement orientation as the main orientation represented the medium-sized category.<sup>18</sup> There were also three large companies applying procurement orientation but no small companies. Companies applying the buying orientation as the main orientation represented both medium-sized and large-sized companies, and the only small company also applied a buying orientation. The majority of the companies applying the supply management orientation represented large companies and one medium-sized company. It was unexpected that so many large-sized companies preferred the buying orientation to the procurement or supply management orientations because the common belief is that large companies have transferred to the supply management level. Actually, one interviewee stated that companies claim to have adopted the supply management orientation, although in reality, they still employ procurement or even the buying orientation, the supply management orientation being to them more of an ideal than current practice.

The purchasing orientations of the company guide the buyers when they make decisions on procurements and suppliers. Understanding customers' purchasing orientations facilitates the salesperson in making the right decisions related to the choice and employment of appropriate selling approaches and competencies. The interviews revealed that the way the buyers use orientations is not a straightforward procedure but a more fragmented and faceted phenomenon. There exists no one-size-fits-all solution. Companies in this study context, regardless of size, industry, ownership or phase of the internationalization, may apply any of the three basic orientations as a main orientation and apply parallel orientations, depending on the product category, supply and competition situation.

When presenting the results next, I present the summary of conclusions and describe the definitions of major knowledge and skills just once to avoid an unnecessary repetition. I do not address specific knowledge and skills of the procurement and supply management orientations equivalent to the empirical data and the interpretations of the buying orientation to avoid any overlapping discussion. However, I describe those specific knowledge and skills in detail when, compared to the specific knowledge and skills of the buying orientation, they are new or different or show important differences.

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<sup>18</sup> EU determination of companies: turnover  $\leq$  €10 million > small companies, turnover  $\leq$  €50 million > medium-sized companies, turnover > €50 million > large companies. Categories of the sample (N30): small companies, 1 (3%), medium-sized companies, 18 (60%), large companies, 11 (37%).

## 4.2 Knowledge-related competencies

First, I summarize the conclusions drawn from the analysis of knowledge-related competencies by major knowledge and skills and by purchasing orientations.

*'Product expertise'*, consisting of technical expertise, product knowledge and ability to provide consultancy differs by orientation. As for technical expertise, it is the most relevant competence for procurement buyers. In addition to that, they also expect an ability to provide technical and application consultancy to the customer. Product knowledge is equally shared by all buyers. *'Knowledge brokering'* is equally important for buying, procurement and supply management buyers. That means that buyers expect that salespeople manage the technical fundamentals but, for in-depth knowledge, the salesperson must be able to provide access to intra-organizational resources for the technical discussions.

*'Knowledge of customer's business'* consists of understanding the customer's business model and understanding the customer's industry and company. Both buying, procurement, and supply management buyers regard understanding a customer's business model as equally important. Procurement oriented buyers expect that salespeople have a holistic understanding of the customer's industry and company while supply oriented buyers expect also an understanding of the strategic fit between the supplier and the customer.

*'Knowledge of customer's purchasing procedures'* consists of an ability to align with the customer's purchasing hierarchy and understanding the customer's purchasing policy. The former is shared by buying and supply management buyers in the same way, indicating that they expect that salespeople to carefully follow customers' purchasing procedures. Procurement buyers prefer contact keeping at several levels. They allow a bit more freedom in this respect. Procurement and supply management buyers expect to have a deeper involvement in understanding the customer's purchasing policy.

*'Understanding logistics issues'* is the relevant competence for procurement oriented buyers, but this does not apply to the same extent for buying and supply management oriented buyers. Next, in Chapters 4.2.1–4.2.3, I will present more thoroughly the major knowledges and skills belonging to the knowledge-related competence area. The results will be offered separately in each purchasing orientation.



#### 4.2.1 *Knowledge-related competencies in the context of the buying orientation*

##### **Product expertise**

'Product expertise' is a set of technical knowledge and skills to secure a technical solution to the customer's problems and challenges and to disseminate technical information with the customer. The following specific themes were recognized:

*Technical expertise.* The buyers emphasized the importance of the possession of engineering skills in order to find a solution to the customer's problem. The engineering skills include an understanding of production methods and possibilities, and an ability to read and interpret the technical product documentation of both companies concerned, including material and other specifications, drawings and 3D models. In fact, regardless of the industry and size of the company, some considered the ability to read and comprehend product drawings as an absolute prerequisite to salespeople's competence. The significance of technical expertise was particularly emphasized as a consequence of the buyers' technical backgrounds and genuine desire to understand the products they are buying.

*Technical expertise is definitely the most important. After all, it always boils down to the product. Skilled salespeople understand technical features and don't have to consult technical persons all the time. (Purchasing Manager1BO)*

*Because I have a degree in engineering and I'm here to buy technical products. I want to understand the technical products and services that I'm buying, so that I know what my money gets me. (Material Manager11BO)*

*Product knowledge.* The interviewees emphasized that salespeople cannot offer solutions without having thorough product knowledge. In addition, a thorough knowledge of the product category and also understanding the product of the end user was regarded as part of the competence of salespeople.

*You cannot sell a solution if you don't know the product and the needs of the customer. (Vice President, Procurement and Logistics1BO)*

The interviewees appreciate salespeople's deep product knowledge and expect it in all circumstances. In fact, the interviewees suggest that as regards managing product knowledge, there even are national differences. In addition, product knowledge of industrial salespeople was ranked higher than product knowledge of salespeople representing middle men.

*In fact, the product knowledge of Finnish salespeople is quite good. But as you go to southern Europe, business is based more and more*

*on friendship, while the product is pretty much ignored. They should really learn from how thoroughly Finnish and German salespeople know not only their products but also the products of their customers and the end-users. (Material Manager11BO)*

Product knowledge is also associated with knowledge of competing products, which – as a number of interviewees indicate – first, facilitates the objective comparison of products in the same product category, and, second, allows for the highlighting of the features and benefits of one's products, thereby promoting the convincing demonstration of the benefits offered by one's products. However, comparing rival products is first and foremost the responsibility of buyers, not salespeople, whose approach to competitors should always be neutral and discreet, the interviewees maintain.

*A professional salesperson can present those differences while unprofessional salespeople commence to slander the competitor's product, which should be avoided. (Purchasing Manager21BO)*

*It is understandable that salespeople do not actively present the drawbacks of their product. But they must be handled by request. We are quite good in making questions. Slandering the competitor is not expected. (Supply Chain Manager25BO)*

### ***Knowledge brokering***

'Knowledge brokering' is a set of knowledge and skills to secure the availability of product knowledge and the customer's access to it. The following specific themes were recognized:

*Managing technical fundamentals.* On the other hand, exhaustive knowledge of product details is not required. Managing the technical fundamentals is sufficient in most cases. However, salespeople are expected to resolve open issues promptly and independently, and to contact the buyer without delay.

*B2B salespeople know the features of the products and services they're selling, and can respond quickly to the customer needs and requests. Of course, you can't expect salespeople to know everything, but they should be able to clear things up in a few days' time. No empty explanations, please, just dig out the facts. (Vice President, Procurement and Logistics1BO)*

*Ability to provide the intra-organizational resources of the seller firm.* Instead, the buyers expect that technical experts should take part in the meetings and present a solution if salespeople lack the necessary engineering skills and product knowledge. Technical assistance is provided by the technical experts of the selling company, whereby the role of salespeople is more evident in coordinating and managing commercial issues. On the other

hand, a professional salesperson also recognizes their technical drawbacks and organizes the technical resources for the meeting. In case of a complex systems and complicated devices, a sales team is always needed.

*Sure, technical support is one that is important when you need a technical solution. And that's when salespeople are kind of sidelined. With them, you may only talk about delivery times, finances, maybe about annual contracts and so on. And regarding technical expertise in general, it's always good to bring someone, from maybe designs, with you to present the product to us in more detail, if it is a technical product. (Managing Director2BO)*

In sum, in the technology industry, deep product expertise is deemed a virtual necessity, with many interviewees identifying technical expertise and product knowledge as the most crucial components of professional business-to-business salespeople (e.g. Rentz et al. 2002). A sound technical command, the interviewees indicate, facilitates drafting and presenting a solution to the customer's problem. In addition, albeit on a general level, salespeople are expected to be familiar with their industry and competing products, as well as their features and benefits, in order to argue more effectively for their products. However, this study emphasizes in particular a discreet handling of competitors' products. The existing literature points to the importance of managing the competition knowledge (e.g. Rentz et al. 2002) but has not especially emphasized the discreet nature of such competition knowledge.

Product knowledge was the first reply to the first interview question, 'how would you describe a competent salesperson?' by the buyers. The importance of product expertise for buyers is supported by Zallocco, Bolman Pullins and Mallin (2009) and Rosenzweig and Roth (2007), who suggest that technical skills are one of the most important dimensions of the B2B salespeople's competencies. In contradiction to my study among the buyers, Marshall et al. (2003) found in their study among sales managers that communication and salesmanship skills are more essential for sales success than product-related knowledge. This indicates that the buyer side values the competencies differently from the seller side.

Moreover, the significance of technical expertise and product knowledge is emphasized by the fact that buyers in the technology industry are typically technically oriented and possess a genuine desire to know the product thoroughly. To some extent, this is a surprising viewpoint. In spite of the increasing strategic role of buying within companies, buyers' personal background and interests guide the competence demands of salespeople. However, the availability of technical experts in the selling company to provide technical advice is crucial. Ultimately, sound product knowledge converts salespeople into experts. Competent salespeople are also capable of

providing intraorganizational resources when they cannot rely on their own expertise to solve customers' problems (e.g. Steward, Walker, Hutt & Kumar 2010).

In general, Finnish buyers – chiefly due to their fact orientation, a quality that re-emerges later in this study – consider product knowledge a crucial component of the competence of salespeople. The majority of the interviewees regarded product knowledge of Nordic and Middle-European salespeople as benchmarks.

In conclusion, the significance of technical expertise and product knowledge expressed by the buyers indicate the need for a problem-solving approach in the context of buying orientation (Ingram et al. 2009, 30–31). In addition, a team selling model that includes technical experts seems to be needed in technically demanding selling (Manning et al. 2012, 238).

### ***Knowledge of customer's business***

'Knowledge of customer's businesses' is an understanding of customers' businesses in general and what is valuable to customers. The following specific themes were recognized:

*Understanding customers' industry and company.* Exhaustive knowledge of customers' strategies was generally not required. However, a change in the customer's strategy may offer new sales opportunities to the supplier if salespeople are aware of these changes. On the other hand, a general understanding of the customers' processes was deemed sufficient.

*To a certain degree, you must be familiar with the customer's strategies and be able evaluate how your own strategies fit into the picture. (Supply Chain Manager25BO)*

*You should know our strategies in case we go to a new business area and we may need new solutions. (Managing Director17BO)*

Similarly, the interviewees were not unanimous regarding demands for industry knowledge. On the one hand, industry knowledge is hardly a necessity for the salespeople of standard products, but, on the other, a degree of industry knowledge is required from salespeople of technical solutions. In general, however, an understanding of the customer's industry was regarded as beneficial, and salespeople should hence adopt a positive attitude towards developing a general understanding of the customer's industry.

*In some issues, it's beneficial to know the industry of the customer, but it is certainly not an absolute requirement. To some extent, sure, you should have a general idea, but there's no need to go too deep. (Procurement Manager26BO)*

The majority of interviewees reprimanded large companies for having a lack of genuine interest in the customer and their business operations, with the consequent lack of support for salespeople. Instead of customer orientation, their selling strategies blatantly manifest the abuse of a commanding market position.

*Generally it can be said that suppliers don't understand the business or the business environment of the customer, which is a big issue. They sell from their starting points but don't necessarily understand that we sell the product onward with a certain premise. And unfortunately, the bigger the company, the bigger a problem this is. Salespeople from big, listed companies come in with their strategies, not caring a dime about how we sell and on what terms. That's dictating, and to me it is a big problem that has been aggravated over the past few years. (Managing Director8BO)*

*Understanding customer's business model.* Skilled salespeople understand the business of their customers, unskilled salespeople do not. However, salespeople should also acknowledge that products are sold to end users, whereby the customer is reduced to a mere middleman. Thus, by understanding the business of customers and the purpose of the end product, salespeople can generate added value for buyers.

*The better salespeople know – not only the customer's end-product – but the whole business environment, and the better equipped they are to understand how they can create added value. (Material Manager11BO)*

### ***Knowledge of customer's purchasing procedures***

'Knowledge of customer's purchasing procedure' is an understanding customer's purchasing procedures and adapting to them. The following specific themes were recognized:

*Understanding customers' purchasing policy.* Concerning the customer's purchasing policy the objective of buyers is to establish a situation, in which there are main suppliers – and in the case of larger volumes, challengers – while abiding by the company's purchasing policy. Therefore, in order to guarantee a share of the customer volumes, salespeople should strive to be selected as one of the main suppliers. In case of changes in the purchasing policy, buyers often give a warning or a signal to the salesperson.

*Of course you must always have an alternative, that's the classic trick. So, the purchasing policy is to have two suppliers for all key components – or at least two, but if the volumes are small like here, that basically means just the two. Then, you wrangle with them, day after day, year after year. You may invite one into a product*

*development project, which may eventually slightly lower the price for the product. Then, you sit down with the other supplier and tell them that they are at risk of losing their number-one status. One of the characteristics of good salespeople is to be able to read the customer, and to be able to act on the possible signals customers purposely give. (Material Manager11BO)*

In well-organized companies, purchasing departments are responsible for procurements. Hence, buyers and purchasing managers command the decision-making authority in purchases and supplier selection within the guidelines stipulated by the company's purchasing policy. In fact, the interviewees stress that purchasing or managing directors are not directly responsible for daily purchases, and thus it is not necessary for salespeople to communicate with the higher organizational levels. Instead, matters should be handled in their respective organizational levels – which should always be determined by the customer – although managing and purchasing directors may be involved in the most strategic purchases. Knowing the right people in the buying center is critical. Yet, maintaining inter-company communications at several organizational levels, for example, at inter-executive and buyer-seller level, is acceptable.

*I don't have time for that. If someone here is responsible for a certain component, I don't want the salespeople running to me with their litanies. If a responsibility has been vested in someone, and I trust that he takes care of it and keeps me up to date. Then of course, if a supplier wants to hold a demonstration day – here's what we offer in general – then someone from the design department may also have a look. And of course, then I'm also very interested, but definitely not in regular purchases. In a way, it would hamper dealings, because the buyer with decision-making authority can't tell who is calling the shots here, whether it's me or not. No, I like to distance myself from all that. The responsibility lies totally, 100% with our buyer. I want to have nothing to do with it. (Procurement Manager26BO)*

Recognizing customers' decision-making process as a part of customers' purchasing policy is a key customer knowledge requirement imposed by buyers. Salespeople are expected to pro-actively familiarize themselves with the process at the beginning of negotiations or, preferably, already at the beginning of the competitive bidding period, and thereby, in order to avoid needless contacts, acknowledge and accept the fact that processing offers is a long, multiphase process. With the exception of certain competitive or negotiation strategies, the decision-making process is typically explicated at the request of salespeople. Moreover, it was emphasized that in modern matrix organizations, decisions are always made collectively, not independently by a

single buyer, while enquiries on the decision-making process must be submitted to contacts in the purchasing department.

*Especially if there are new people who try to find out who's in charge, I'm glad to make it clear. It's important to know that that's okay; this is the guy from our side who calls the tune. Then, it's clear to our people as well as to the other side, which is good. (Procurement Manager26BO)*

*Ability to align with the customer's purchasing hierarchy.* Bypassing the purchasing organization in dealings was deemed a fundamental error –even a cardinal sin – in selling. The interviewees clearly expressed that all communication, be it technical or commercial by nature, must be routed via purchasing departments; bypassing purchasing would never result in a successful business relationship. Although specific communication channels or contact persons may be designated once the relationship has been stabilized, salespeople have the duty to also convey information to the purchasing department. In some instances, direct routes of communication to technical departments were allowed on grounds of lack of resources or an influx of technical knowledge into the company. Nevertheless, all price-related issues have to be routed via the purchasing department: discussing prices is the privilege of buyers. In addition to bypassing the purchasing department, which may result in loss of trust or the termination of the customer relationship, the creation of needs in other company functions was identified as a fundamental mistake in selling. A few years ago, this was somewhat of a trend, recommended by certain sales training service providers in order to increase sales.

*The sales organization of a well-known German tool supplier had apparently been taught to never contact the buyer, but to go to the workshop, present their catalogues of tools and equipment to the mechanics and workers, and thereby create needs. And, of course, the lads were interested and wanted this and that. Then, the salesperson comes to the buyer and says that the boys in the workshop think that this is what you should get. And, that's the worst mistake you can make as a salesperson. (Managing Director2BO)*

In sum, purchasing policies and methods have been sharpened (Cheverton & van der Velde 2011, 46–47). Accordingly, the majority of interviewees stated that today, procurements are explicitly managed and coordinated by the purchasing department, which requires more rigorous compliance with the purchasing hierarchy by salespeople and knowing the right people in the buying center (cf. Anderson et al. 2009). The power of procurement lies in the hand of the purchasing department within the company. On the other hand, the shift to matrix organizations has prolonged and confounded decision-making, and consequently extended the sales cycle, a fact that salespeople and sales

managers must recognize. The objective of sales management is ultimately to shorten the sales cycle.

Due to its perceived positive effect on sales, salespeople are often encouraged to communicate to the executive and decision-making bodies by bypassing the de facto purchasing department. Established training companies, for example Reilly (2010, 74–79), suggests creating a separate sales strategy for ‘high-level decision makers’, while Hughes (2010, 237–238) correspondingly encourages salespeople to meet ‘C-level’ people, such as Chief Executive Officers, Chief Operating Officers, etc. It depends on the strategic importance and size of the business whether this kind of behavior might be successful or grounded. However, the interviewees of this study unanimously stressed that matters must be processed in their respective organizational levels, although inter-company communication at various organizational levels – for example the buyer-salesperson or inter-executive level – was regarded as acceptable, even encouraged. Nevertheless, bypassing the buyer when communicating to higher organizational levels was widely deemed to be unacceptable, and certainly not an added value factor. The finding of this study may also reflect the cultural differences in management practices. Töllner, Blut and Holzmüller (2011) found that deciders rely on the expertise of the buyer for requirement definitions and presentation phases and are more interested in coordination and management of purchasing processes. According to Roland Berger & Partner (Simon, Bauer & Kaivola 1996, 173), the cornerstones of Nordic management style in general are regarded a good operational planning, implementation of delegation, good relationships between management and followers, and boosting innovations.<sup>19</sup> Individualism, less masculinity compared to other European countries and a low hierarchy structure have emerged in Nordic management research<sup>20</sup>. The existing literature has neglected the importance of understanding customers’ purchasing procedures.

Elsewhere, salespeople are expected to have a general understanding of the strategy and industry of customers, although a more profound understanding was deemed unnecessary. Instead, salespeople should acknowledge the influence of the customer’s strategy change on purchasing and its impact on emerging sales opportunities (cf. Bonny & Williams 2009). Meanwhile, industry knowledge is a benefit for the salespeople of specialty products but not necessarily for the salespeople of basic or standard products. On the other hand, salespeople can generate added value to the customer with knowledge of the customer’s business, the application of their products and end-users,

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<sup>19</sup> Lindell, M & Arvonen, J.: *The Nordic Management Style in a European Context*, Hanken, 1994.

<sup>20</sup> Hofstede, G.: *Culture’s Consequences: International Differences in Work-related Values*, Sage Publications, 1989.



meaning understanding the customer's business model (cf. Ulaga & Loveland 2014). In general, value is the buyer's perception and salespeople must hear it from the buyer (Reilly 2010, 12). Finally, a general understanding of the processes of the customer was deemed sufficient.

In conclusion, the importance of understanding customers' business and customers' purchasing procedures requires the adoption of a customer orientation approach and adapting to customers' buying processes (Saxe & Weitz 1982; Viio 2011, 144). The big companies especially were criticized due to the lack of a customer orientation. This may also indicate a power unbalance in these buyer-seller relationships. However, a strong critic of large companies show that they do not support their salespeople's work sufficiently, although they would have much better overall resources compared to small and medium-sized companies.

#### 4.2.2 *Knowledge-related competencies in the context of the procurement orientation*

##### ***Product expertise***

In relation to 'product expertise' the following specific themes were recognized: *Product knowledge, technical expertise and the ability to provide consultancy.*

*Technical expertise.* The significance of technical expertise as a competence of professional salespeople was highlighted by procurement buyers. They want to see a salesperson as a professionally acting expert. In general, the technical expertise of salespeople was deemed to benefit the buyers; some even considered them as the most significant added value factor offered by salespeople.

*We don't set the technical requirements; they come from the authorities. In addition to that, you have to note the customer requirements. You have to manage the materials. It is impossible to cooperate with a salesperson who doesn't know the requirements. (Material Manager29PO)*

*Technical issues are the most important added value factors; I respect salespeople who know their stuff thoroughly. If I ask for help, it's almost always regarding some technical issue. (Material Manager29PO)*

*If you have to write down all our technical questions, you have nothing to offer in that meeting. (Director, Global Sourcing27PO)*

*Ability to provide consultancy.* Besides technical expertise, salespeople are expected to offer advice and consultancy to address the customer's technical

issues. Thanks to deep product and technical expertise, salespeople are able to assist customers to make the right choices, to assist in the application problems and to organize product training.

*[Salesperson] is advising and guiding the buyer. Naturally, in the technology industry, selling style doesn't mean as much as expertise. The knowledge skills of salespeople have more bearing, and are also beneficial in the long run. (Product Development Engineer22PO)*

### **Knowledge brokering**

Relating to 'knowledge brokering', the following specific themes were recognized: *Managing technical fundamentals and ability to provide intra-organizational resources of the seller firm.*

In sum, procurement oriented buyers demand from the salesperson even deeper technical expertise than the buying-oriented buyers. In addition, procurement oriented buyers expect an ability to provide technical consultancy. Product knowledge and technical expertise, managing technical fundamentals and the ability to provide intraorganizational resources are equivalent in the procurement and the buying orientation. Although the ability to provide intraorganizational resources manifests itself in the same way in both orientations, it is very evident that in the procurement orientation context, the need for organizing intraorganizational resources is higher than in the buying orientation context due to deeper relationships. Plouffe and Barclay (2007) suggest that salespeople's ability to acquire intraorganizational resources and interact within their company – Salesperson Navigation– lead to better sales performance. 'Intrapreneurial ability' by Sengupta, Krapfel and Pusateri (2000) is an equivalent concept, which provides the ability to provide intraorganizational resources. They also found that it increases salespeople's effectiveness.

Salespeople are expected to offer product details and information, and to provide technical advice to customers. Therefore, product expertise is markedly an added value factor appreciated by buyers. Salespeople, through processing and disseminating information, are a resource to buyers. This finding is supported by Verbeke et al. (2011), who point out that in the knowledge-intensive and science-based economy, salespeople transfer knowledge to customers. They act as knowledge brokers. Increasing product complexity, customer demands and competition together means that salespeople are required to handle growing information loads (Jones et al. 2005). Rentz et al. (2002) include technical knowledge in their measure of selling skills. However, the measure does not stress the importance of salespeople's consulting skills, which the procurement oriented buyers expect.

In conclusion, the importance of technical expertise and an ability to provide consultancy indicate the usability of consultative and solution selling modes for procurement oriented buyers. As customer solutions become more complex, salespeople cannot solve customer problems alone but they have to coordinate intraorganizational resources through matching experts to customer engagements, taking into consideration both the technical and the relational criteria (Steward et al. 2010).

### ***Knowledge of customer's business***

In relation to 'knowledge of customer's business', the following specific themes were recognized: *Understanding customer's industry and company and understanding customer's business model.*

*Understanding customer's industry and company.* The procurement oriented buyers emphasized that salespeople must understand the big picture of the customer's business, and a general understanding of customers' processes was deemed sufficient. Although exhaustive knowledge of customers' strategies was generally not required, salespeople should always understand the impacts of customers' strategies on the short-term demand for their products. However, one interviewee underlined that particularly in partnerships, salespeople should also be able to recognize whether the values and strategies of the partners are compatible.

*I wouldn't say you have to assimilate our strategies. It's more a question of understanding where the strategy we have chosen takes us over a period of twenty months in the sense that, for example, the demand for this raw material will increase, and because that's the world we're heading into. (Managing Director15PO)*

*We have four values, which are also criteria when selecting a supplier. The strategy must match with ours to secure that the supplier also grows with us and is ready for changes. (Director, Global Sourcing27PO)*

### ***Knowledge of customer's purchasing procedures***

In relation to 'knowledge of customer's purchasing procedures' the following specific themes were recognized: *Understanding customer's purchasing policy and ability to align with the customer's purchasing hierarchy.*

*Understanding customer's purchasing policy.* Concerning understanding customer's purchasing policy, procurement oriented buyers underline how they classify the suppliers into different categories based on criticality, risk and quality factors, volume or availability of the material: key suppliers, partners, preferred suppliers, among others. Price, quality and delivery capacity typically constitute the principal selection criteria, regardless of the

industry. Thus, salespeople should strive to understand the needs of the buyer in terms of price, quality and quantity. In addition, salespeople must be able to interpret the meaning of volume changes: diminishing order volumes may, for example, signal a turning point in the customer relationship. Meanwhile, the digital communication and order processing systems of customers require a host of IT skills, for which the Finnish salespeople were commended.

*We have defined our key suppliers covering most of our volumes. From the risk and quality management point of view, they are critical suppliers or they deliver us with critical raw materials. (Purchasing Director, 24PO)*

*It means that, first of all, you must understand what the technical requirements for components and raw materials that need to be met are. Requirements concerning documentations also allow for no compromises due to the various quality management systems, material certificates and so on. They simply must be taken into consideration. (Managing Director15PO)*

Especially in larger transactions, the roles and responsibilities of the people who partake in purchase decision-making are defined in advance. Typically, buyers are experts of the purchasing process while project managers represent the interests of the end user. In contrast, decisions on sourcing organizations are made in concert by the sourcing, design and product departments, and are always founded on operational goals and competitiveness. Therefore, the sourcing department is responsible for cost targets, whereas the design department is responsible for technical requirements.

*It would be nice if salespeople were open in this respect, instead of trying to come in through the back door. They also shouldn't give up if there's resistance, simply tell that this is what we're offering. Still, they should try to include the buyer, because in companies like these, sourcing has all the authority. That's all changed; it wasn't like this before. Today, no one makes decisions independently; goals are set at the executive level, while, in a way, the product line represents the customer. (Regional Manager5PO)*

The responsibility of salespeople over customers is particularly conspicuous in transactions with large companies, when responsibility over the customer relationship is vested in salespeople, who, in turn, are expected to recognize the needs of the customer especially well. One interviewee suggested that selling should be organized on a key account basis to better meet the customer demands.

*We do business with large companies, and there's nothing else keeping things under control besides the fact that there is a key*

*account on both sides. That's how things are done today: you have a person who knows our needs and knows his own organization. That goes for both sides: we also have supplier managers in purchasing. (Regional Manager5PO)*

*Ability to align with the customer's purchasing hierarchy.* Also, the procurement oriented buyers require that salespeople strictly comply with the customer's purchasing hierarchy. In one company, even the supplier is nominated to each one of the purchasers. On the other hand, some interviewees expect that salespeople connect different levels of both companies by organizing meetings between technicians, buyers and salespeople, and between financial people and directors. Nevertheless, all price-related issues have to be routed via the purchasing department: discussing prices is the privilege of buyers.

*We've made it clear internally that when talking about prices, I'm in charge. We've made that clear also to many suppliers, because we had a problem with that in the past; everyone loves buying. (Material Manager30PO)*

Salespeople can promote their image to the customer by informing the purchasing department of direct contacts from any other departments. In addition to recognizing and complying with the purchasing hierarchy of the customer, it was considered vital that inter-company communications should never hamper the decision-making process. Similarly, the companies in which procurements are conducted utilizing a sourcing process maintain that it is vital to contact the sourcing department. In contrast, the disposition of some salespeople to obtain inside information by bypassing the purchasing department was widely disapproved of. Many reveal that bypassing the purchasing department was possible before, but such maneuvers are no longer allowed. Essentially, purchasing departments co-ordinate purchases and suppliers – and therefore buyers 'own' the suppliers.

*That's something we've plugged intensely over the past few years. People have come in through the back door. Ten years ago, people would walk into projects through product development, while purchasing would enter at the last minute to wrangle over the price. (Director, Global Sourcing27PO)*

*Great salespeople get in contact with our purchasing department when contacted by another department here. (Director, Global Sourcing27PO)*

From the viewpoint of customer understanding, the often extremely aggressive methods employed in international purchasing departments were identified as a particular challenge for Finnish salespeople.

*It's pretty chaotic when an international organization is negotiating. And in the middle of all that babel, it's difficult for the systematic Finn to operate. You can pretty much say whatever you want – someone may even grab your hand like this and come really close. It's not all about technical performance and discussion. (Regional Manager5PO)*

In sum, procurement oriented buyers set higher demands for salespeople to manage customers' industry and company and customers' purchasing policy than buying-oriented buyers. Creating a general view on the customer's business was stressed. They also insist on compliance with the purchasing hierarchy. However, they prefer contact being kept at several levels, referring to an ability to build person-to-person relationships (Ulaga & Loveland 2014). Expectations concerning the understanding of the customer's business model do not differ between these two orientations. Salespeople's ability to use the information gathered facilitates customer understanding (e.g. Reid et al. 1997), and, in particular, 'relationship specific knowledge' assists the salesperson to understand how to deal with the buyer (Ballantyne 2004). Relational salespeople need to have a wide range of knowledge of the customer company to be able to identify opportunities for creating value for the customer (Weitz & Bradford, 1999).

The interviews appear to indicate that the recent developments in purchasing functions – namely, the development of procurement strategies from traditional purchasing towards global procurement, sourcing processes and supply chain management – also impose novel skill requirements on salespeople (cf. Cheverton & van der Velde 2011, 46–47; Humphreys et al. 2009; Pressey et al. 2007; Rackham & DeVincentis 1999, 49). In addition, the categorization of products to be purchased and supplier segmentation have established the position of purchasing (Kraljic 1983; Miocevic & Crnjak-Karanovic 2012; Wagner & Johnson 2004). Similarly, purchasing functions are no longer restricted to the role of 'the rubber stamp', but are generally regarded as strategic functions by companies, which is indicated by the implementation of approved supplier lists, supplier management and procurement schedules. Such procurement departments demand, first and foremost, a professional approach from salespeople.

Meanwhile, the purchasing of policies and methods has also been sharpened. The majority of interviewees stated that today procurements are explicitly managed and coordinated by the purchasing department, which requires more rigorous compliance with the purchasing hierarchy by salespeople.

The role of quality management systems, and salespeople's competence in them, was not specifically highlighted in the interviews. Nevertheless, quality was discussed in a variety of contexts, particularly in industries concerned with safety, and was widely regarded as one of the three basic criteria for

purchasing. In contrast, approximately a decade ago, quality management systems and certification processes were a key priority for buyers, and suppliers were expected to implement quality management systems and salespeople to be familiar with them. In the research interviews, only a few customer representatives emphasized the significance of salespeople's interest in quality issues and the command of quality management systems. Hence, it may be concluded that quality management systems have established their position in the companies of both salespeople and buyers, which does not imply a diminishing significance, but rather the evolution of their roles and their assimilation as part of conventions.

In conclusion, the buyer's desire to better understand the customer and customer's business indicates the appropriateness of the customer-orientation approach. However, the valid definition of customer orientation is focusing more on customers' needs and problems instead of customers' business and purchasing policy, which is the demand of buyers for a need to reformulate the original customer orientation concept (Saxe & Weitz 1982). The need for reformulation resonates with the findings of Blocker et al. (2011); Franke and Park (2006); Schwepker (2003).

### *Understanding logistics issues*

'Understanding logistics issues' consists of knowledge of logistic matters to ensure customer satisfaction with the delivery accuracy. The following specific theme was recognized:

*Logistics expertise.* In several connections during the interview, respondents also discussed issues related to logistics. In particular, they pointed to the importance of organizing and maintaining buffer stocks for customers. In the future, the requirements of the salesperson's logistics skills and knowledge will increase owing to globalization and international sourcing. As for the criteria of maintaining the customer relationship, the salesperson's logistics knowledge was mentioned. Logistics issues are also one of the key topics when negotiating the contract.

*Especially in shipping practices or logistic issues, you can meet surprisingly low awareness: with which Transportation Company the material comes to Finland. Even those [salespeople] who are responsible for us don't know that. (Director, Global Sourcing27PO)*

In sum, interviewees had perceived shortages in the salesperson's logistics competence. These findings are supported by Garver and Mentzer (2000), who emphasize that owing to buyers' logistics-related responsibilities they expect also that salespeople possess logistics expertise. They have conceptualized the entire domain of salesperson logistics expertise consisting of the selling company's logistics systems, processes and capabilities (internal factors), and

customer's logistics needs and requirements (external factors). Crosby et al. (1990) have defined expertise as follows: 'A customer's perception of a salesperson's expertise reflects the identification of relevant competencies associated with goods or service transaction (e.g. product, market, or logistics knowledge) most often exhibited in the form of information provided by the salesperson'. This definition also covers logistics and focuses on the customer's perspective. Garver and Mentzer (2000) have defined the salesperson's logistics expertise as 'a customer's perception of a salesperson's knowledge, experience, or skills in *logistics*'. They point out the positive impact of a salesperson's logistics expertise on the buyer-seller relationship. Thus, logistics knowledge is an important part of a salesperson's knowledge competence. The recent trend in companies to outsource logistics has moved salespeople away from managing logistics operations. An ability to give information is highlighted, relating to the logistics expertise perceived by procurement buyers (cf. Reid et al. 1997).

#### 4.2.3 *Knowledge-related competencies in the context of the supply management orientation*

##### ***Product expertise***

In relation to 'product expertise', the following specific themes were recognized: *Product knowledge* and *technical expertise*.

##### ***Knowledge brokering***

In relation to 'knowledge brokering', the following specific themes were recognized: *Managing technical fundamentals* and *the ability to provide intra-organizational resources of the seller firm*.

In sum, the supply management buyers appreciate product expertise and knowledge brokering competencies like the buying-oriented buyers. Compared to the procurement oriented buyers, *ability to provide consultancy* did not explicitly emerge from the data of the supply management-oriented buyers. This does not mean that they do not appreciate an ability to provide consultancy. This finding may suggest that supply-oriented buyers approach the consultancy issue from the supplier company's viewpoint and not from an individual salesperson's viewpoint.

##### ***Knowledge of customer's business***

In relation to 'knowledge of customer's business', the following specific themes were recognized: *Understanding customer's industry and company* and *understanding customer's business model*.



Although exhaustive knowledge of customers' strategies, as part of *understanding the industry and company*, was generally not required by supply management buyers either, salespeople should understand the customer's revenue generation model. Typically, buyers are active and take responsibility for communicating the strategies of their companies to salespeople in order to promote cooperation and the co-creation of value.

*Salespeople should understand our situation and environment. Buyers should reveal quite a lot of their strategies – or at least to some extent – to great salespeople, so that they understand where we're at and what the outlook for future is. It makes communication a lot easier. (Sourcing Manager5SMO)*

### ***Knowledge of customer's purchasing procedures***

In relation to 'knowledge of customer's purchasing procedures', the following specific themes were recognized: *Understanding customer's purchasing policy* and *ability to align with the customer's purchasing hierarchy*.

In relation to *understanding customer's purchasing policy*, supply management buyers emphasized that the number of suppliers must be reduced and it was necessary to transfer the procurements to low-cost countries. It is also typical that the products to be supplied are divided into categories, and each category has a responsible leader and the nominated partners. In addition, buying center or buying team philosophy was introduced. However, the buyer's role in the decision- making seems still to be dominant.

*It is important that they [salespeople] understand our [sourcing] policy. We classify by categories – electronic devices, hydraulics, castings, steel, etc. – and each category has a leader responsible for sourcing. (Sourcing Manager13SMO)*

*Several times, I have made it clear that after the technical discussions, I thank the technicians, we now continue with commercial issues and you are released. Decision-making may be in the hands of one maximum two [persons], technical department and experts just bring their own viewpoints. (General Manager3SMO)*

In relation to *ability to align with the customer's purchasing hierarchy*, supply management buyers also regarded bypassing the purchasing department as a fundamental mistake by reducing trust. Similarly, the companies in which procurements are conducted utilizing a sourcing process maintain that it is vital to contact the sourcing department.

*That's the principle exactly, they come in through purchasing. For new suppliers, that's always the case. Some old suppliers may be allowed to contact someone else in our organization regarding particular matters, but if it's about a new product, also they must take*

*it through purchasing. If a new person comes in through the backdoor, he'll be thrown out pretty soon. (Sourcing Manager13SMO)*

In sum, compared to the buying and procurement oriented buyers, the supply management-oriented buyers expect that the salesperson should understand the customer's revenue generation model to better understand the value creation potential for the customer. After the nomination of a strategic partner, it is in the supplier's interest to orientate the salesperson into the customer's strategy. The buyer is active and takes the initiative on how much and when the salesperson is informed about the strategy. The buying team philosophy was also stressed as a part of the purchasing policy (cf. Anderson et al. 2009, 118; Johnston & Bonoma, 1981). However, the decision-making authority seems to be concentrating in the buyer's hands, and not spreading to the team.

Table 14 summarizes the results of the salesperson's knowledge-related competencies valued by the buyers. All buyers regardless of the purchasing orientation value 'knowledge brokering' in the same way. All other major knowledge and skills differ to some extent as valued by the buyers. Recognizing each customer's purchasing orientation facilitates the managing of knowledge-related competencies required in initiating and continuing the relationship with the customer.

Table 14 Specific and major knowledge and skills belonging to the knowledge-related competence area by purchasing orientations

<i>Specific knowledge and skills</i>	<i>Comparison of specific knowledge and skills between</i>			<i>Major knowledge and skills</i>
	<i>BO</i>	<i>PO</i>	<i>SMO</i>	
Technical expertise Product knowledge Ability to provide consultancy	● ● ○	●● ● ●●●	● ● ○	Product expertise
Managing technical fundamentals Ability to provide intra-organizational resources of the seller firm	● ●	● ●	● ●	Knowledge brokering
Understanding customer's industry and company Understanding customer's business model	● ●	●● ●	●● ●	Knowledge of customer's business
Understanding customer's purchasing policy Ability to align with the customer's purchasing hierarchy	● ●	●●● ●●	●●● ●	Knowledge of customer's purchasing procedures
Logistics expertise	○	●●●	○	Understanding logistics issues

The symbols and abbreviations used in the tables are as follows:

BO = Buying orientation, PO = Procurement orientation, SMO = Supply management orientation, ● = Similar to BO, ●● = nuance difference, ●●● = essential difference, ○=no evidence.

#### 4.3 Salesmanship competencies

First, I summarize the conclusions drawn from the analysis of salesmanship competencies by major knowledge and skills and by purchasing orientations.

'*Understanding customer requirements*' differs from procurement buyers compared to buying and supply management buyers as regards needs identification. Procurement buyers expect that salespeople put extra effort into recognizing customer needs while buying oriented and supply management buyers provide for recognizing customer needs to a normal extent. All three buyers share the importance of dialogue in the need identification process.

'*Ability to create a customized solution*' is shared by all buyers in the same way as the ability to suggest a solution. In addition, procurement and supply management buyers expect also suggest an integrated solution instead of a pure product or service. '*Sales presentation skills*' are shared by all buyers in the same way as fact-based presentations and an ability to summarize the sales

message. However, now procurement and supply management oriented buyers expect more recognition of customer value through quantifying the benefits of the solution than buying oriented buyers.

*'Price setting skills'* related to understanding the meaning of the price for the customer are shared differently by buyers; procurement buyers expect an understanding of the total cost of ownership philosophy, and the supply management buyers expect a Win-Win philosophy to some extent. The ability to set the price on the appropriate level, the ability to work out the price changes and the ability to negotiate the price are equally shared by all buyers.

*'Adaptability to the negotiation style of the buyer'* and *'closing skills'* are equally shared by all buyer types. Next, in Chapters 4.3.1–4.3.3, I will present more thoroughly the major knowledges and skills belonging to the salesmanship competence area. The results will be offered separately in each purchasing orientation.

#### 4.3.1 *Salesmanship competencies in the context of the buying orientation*

##### ***Understanding customer requirements***

'Understanding customer requirements' is a set of skills to identify and to reach mutual understanding of what the customer's needs and problems are. The following specific themes were recognized:

*Recognizing customer needs.* The interviews indicate that no single correct method for need identification can be determined. Occasionally, the customer needs are explicit and unique to the extent that no viable alternatives even exist, and therefore the customer has defined the specifications carefully. In contrast, some customers prefer to comment on the solutions presented by salespeople, who then adjust their solutions, if possible.

*Equally good, or even a better way would be that salespeople show what they got, with analyses and specifications, and we comment on that. This way, salespeople are the active side: they offer a solution, change the specifications, definitions or what not. But sometimes, we know exactly what we need, and then there's no beating around the bush; we simply start from that. Naturally, we hope salespeople can give input from their perspectives, sometimes to the degree that we beg them to come up with alternatives. (Procurement Manager26BO)*

*Ability to engage in dialogue.* According to the interviewees, salespeople must first and foremost understand the needs and problems of customers, which then must be addressed in a serious manner. Meanwhile, listening, engaging in dialogue and posing questions were proposed as the most effective methods to resolve problems. Moreover, buyers are able to conclude

whether salespeople have genuinely comprehended the problem on the basis of the questions they pose. Elsewhere, great salespeople are also prepared to inform buyers if their companies cannot provide a solution to a particular problem, which means to dare to say ‘no’.

*I mean, then you have to listen, analyze, understand and ask so that when you walk out the door, you truly understand our problem, even if you were unable to offer a solution at that moment. (Material Manager11BO)*

According to the majority of the interviewees, persistently offering standard solutions to customers is ineffective. Instead, salespeople should understand the problems of customers, not peddle their solutions while completely ignoring the customer’s response.

*Then you should try to understand the customer needs, to listen to the customer, to clarify the needs, not simply push your own products (Supply Chain Manager25BO)*

### ***Ability to create a customized solution***

‘Ability to create a customized solution’ is a set of knowledge and skills to configure a solution to satisfy customers both technically and economically. The following specific theme was recognized:

*Ability to suggest a solution.* Naturally, salespeople were first and foremost required to possess the ability to create a solution for the customer’s particular problem. However, a couple of alternatives, in the form of customized solutions, should also be presented on the basis of the customer needs. Thus, product knowledge is a rudimentary precondition because it enables salespeople to introduce and justify the benefits – as well as acknowledge the shortcomings – of their products in presenting the solution. Similarly, salespeople’s ability to offer creative solutions to customers’ problems was deemed beneficial, although some indicated that this is a quality salespeople rarely possess. Elsewhere, the buyers emphasized that a good solution is achieved through dialogue and necessarily entails mutual compromises on a number of issues.

*He is able to find solutions; he can solve the problem in a creative way (Vice President, Procurement and Logistics1BO)*

*[...] that he has passion to solve the customer’s problems (Material Manager28BO)*

### ***Sales presentation skills***

‘Sales presentation skills’ is a set of skills to secure understanding of the sales message and to convince the buyer and of the solution and the company. The following specific themes were recognized:

*Ability to recognize customer value.* In particular, the interviews suggest that salespeople should have the ability to recognize the customer's value or concentrate on providing added value to customers. Thus, identifying the added value factors and the benefits stemming from them is vital. In addition to economic and technical improvements, benefits may include services, training, spare parts, just-in-time deliveries and buffer stocks, on the one hand, and convenient order and delivery routines, maintenance services and prompt delivery and response times, on the other. If the costs of the solution thereby rise, salespeople must consider whether customers can sustain the price increment, especially in industries of intensive competition. Emphasizing added-value factors is particularly vital for new suppliers, who strive to distinguish themselves from the competition.

*If we start from scratch and a salesperson from a supplier candidate comes here to present their products, I believe the most important thing is that you are sincere and clear with your value proposition. When we talk about the technology industry and mechanical engineering, technical features are simply crucial. If the capacity of a pump is insufficient, we're not buying it, no matter how reliable the salesperson seems. Technical features are obviously a part of it. If we start with a product that's similar to the competition, you must offer added value, to tell why we should change suppliers. You simply must be able to state that convincingly. (Managing Director2BO)*

*For example, by agreeing on DDU instead of Ex Works or Free Carrier, our freight costs go down. That's added value. Suppliers' involvement in our product development, with their guys coming here or our guys going there so that we can take advantage of competence that's already there. That's added value. Product training for new products, or maintenance men who travel around the world. That's added value. Salespeople must recognize these things and actively offer such benefits. Although not everybody needs training, not everybody needs transport, not everybody needs storing. Salespeople must use their eyes, ears and brains to see where we're at. (Material Manager11BO)*

Depending on the industry, salespeople also need references from previous customers to promote the selling process. In particular, salespeople who sell complex and expensive product deliveries can utilize references as proof. On the basis of references, customers are able to analyze the supplier and to determine the risks involved. However, boasting with references was deemed disadvantageous: customers are essentially interested in the solutions offered by salespeople, not in extensive or irrelevant reference lists.

*Then there's the other extreme: people who essentially come here to tell us that you don't know these things, this is our special field, and table a list of references and PowerPoint slides. I think that's the worst mistake you can do today. Force-feed massive PowerPoint presentations and lists of references from Finnish brand companies. (Managing Director2BO)*

*Fact-based presentation.* Extravagant PowerPoint presentations and routine sales pitches were regarded as an appalling approach. Similarly, underestimating the competence of buyers, the resulting tendency to teach as well as presentations that rest markedly on PowerPoint slides and fail to evolve beyond the general level were considered to be an indication of an unskilled salesperson. In contrast, salespeople are expected to possess sound product knowledge and a strong belief in their products; the credibility of salespeople does not stem from PowerPoint slides but from facts. Meanwhile, drawings, various lay-outs, the use of colored pen, models, 3D-images, prototypes, test results, requirement analyses or even the product itself may be utilized to illustrate the presentation.

*Hughes PP-shows are not personal. It isn't directed to the customer but it serves the salesperson only. (Material Manager11BO)*

*Ability to summarize the sales message.* A brief presentation of the company must be promptly followed by presenting the solution, which should be elaborated on with details if necessary. The presentation should be cohesive and practical and include summarizing. However, the ability to engage in dialogue was widely recognized as the most effective method of presentation.

*[Salesperson] has presented twenty slides about the company; you must stop such a story telling. (Purchasing Manager21BO)*

In sum, the interviews highlight that buyers commonly specify the needs and the benefits they seek methodically. If salespeople do not recognize the consequent requirements on solutions and thereby strive to genuinely resolve the problems of the customer, the customer's trust in their expertise deteriorates. The importance of understanding of customer need is a prerequisite for creating a solution through exploiting customer knowledge. This is consistent with Reid et al. (1997), who found that that it was not the getting or giving of information, but the using of customers' information that differentiates successful salespeople from unsuccessful ones.

In general, needs assessment was not regarded as a separate, sequential phase, but rather an integral part of presenting solutions. This is in line with Boles et al. (1996), who found that problem solving and understanding customer needs are interrelated. Elsewhere, although questions were identified as useful tools for salespeople in needs assessment, co-operation and

salesperson-buyer dialogue is widely emphasized by the interviewees. Isaacs (2001, 30, 40, 63) suggests that the objective of the dialogue is to achieve a mutual understanding between partners, on which future thinking and action is based. The atmosphere of the conversation through dialogue facilitates finding such new insights, which none of the partners alone would be able to discover. Dialogue is a deeper conversation, not just arguing one's own standpoints. The choice is often made between several alternatives. Dialogue is 'the art of thinking together', according to Isaacs (2001), while Ballantyne (2004) defines it as 'an interaction process of learning together'.

The study shows that after the adoption of SPIN® *Selling* and its questioning technique, increases in sales volume of 17% could be noticed (Rackham & DeVincentis 1999, 209). However, the applicability of the various questioning techniques promoted by several sales training organizations should be carefully considered for each industry and situation. Furthermore, buyers encourage salespeople to think outside the box and forward genuinely novel proposals for improvement. However, in order to forward proposals for improvement, a degree of preparation is necessary.

Buyers speak about 'solutions' broadly and for them, solutions can be just a product or component, or a service or solution that includes additional services (cf. Eades 2004, 3). The role of salespeople culminates in the ability to create a solution, ideally again in collaboration with the customer, resonating with the value co-creation logic (Ulaga & Loveland 2014; Vargo & Lusch 2004). Salespeople should strive to offer solutions and to disseminate information, rather than to focus solely on selling. When convincing the buyer, salespeople should have the ability to recognize customer value, employ facts and summarize the sales message. This resonates with Reid et al. (1997), who found that the 'substance' of the solution is more important for solving the problem than the presentation itself. Instead of routine PowerPoint shows, presentations should engage the customer in dialogue and thereby establish a positive climate for discussions.

In conclusion, understanding customer needs in general is the cornerstone of customer orientation (Saxe & Weitz 1982). It also enables the development of long-term customer relationships. Buyers' requesting the creation of a solution indicates the appropriateness of the problem-solving selling approach. Furthermore, when communicating a presentation or a value proposition, the use of adaptive selling tools is required (Spiro & Weitz 1990).

### ***Price setting skills***

'Price setting skills is a set of skills to facilitate customers' cost competitiveness. The following specific themes were recognized:



*Understanding the meaning of the price for the customer.* The interviewees acknowledged that the price remains a decisive factor for the procurement of certain universal parts, provided they fulfil the minimum requirements. Importance of the price for the customer depends on the customer's cost structure in relation to the competition. In addition, price also remains a crucial criterion in supplier selection and component procurement in certain industries. In some cases, the goal setting of the purchasing budget may supersede total costs.

*Price, price, price, that's our priority, the cheaper the better. I'm not interested in any added-value factors. (Procurement Manager26BO)*

*Purchasing department doesn't manage the prices but it is managing the costs of the company. (Material Manager11BO)*

Elsewhere, the competitive bidding process was highlighted regardless of the nature of the customer relationship and deemed particularly significant in certain competitive industries, where even long-term partnerships are re-evaluated regularly. The interviews suggest that partners must also comply with the market prices, and therefore partnerships are regularly re-assessed and subjected to competitive bidding. Moreover, by adopting a multi-supplier strategy, customers also aim to ensure the competitiveness of their suppliers.

*Negotiations are based on the competitive bidding, no more on beating down the price. (Material Manager28BO)*

*Ability to set the price on the appropriate level.* Buyers in general acquire an understanding of the market prices and expect the same from salespeople. Thus, salespeople should price their products carefully and immediately, to an appropriate and realistic level. Misleading, ballooning prices and impulsive, dramatic price increments were deemed to damage the customer relationship. Similarly, the interviewees disapproved of salespeople who evade price negotiations under the pretense of a lack of authority. Instead, salespeople are expected to display initiative in the event of plunging prices of raw material in order to realize a genuine win-win situation and to create mutual benefits.

*When making an offer, the price should be at the right level. (Procurement Manager26BO)*

*It is unforgivably misleading if your price is 40% higher than the competing prices. (Vice president, Procurement and Logistics1BO)*

*Ability to work out the price changes.* Price increases must be reviewed and justified in the salesperson's organization prior to announcing them to the customer. In addition, the increments must be justified with facts and introduced carefully. Due to the tendency of buyers to set price targets on the basis of methodical analyses of markets in advance, which are invoked in price

negotiations, buyers do not negotiate for fun. The interviewees recommended the adoption of price formulas to promote the transparency of mark-up prices. The price formation process should be transparent and sufficiently justified – also when prices are lower than the competition. The interviews suggest that an increasing number of buyers have introduced, or are about to introduce, open-price formulas.

*Like this one salesperson, who said that the prices of welding ingredients are rising – I told him to take a hike, because the prices in the world market had just dropped. We threw him out right away, and that's the way we deal with prices. Sure, situations are very often misinterpreted by salespeople. Probably the salesperson is either just a bit daft or the executives have stressed that this is what you do and the salesperson doesn't have the backbone to say otherwise. Salespeople should also clear things up with their home base. Even in a situation like this, when the world has hit a wall, salespeople come in proposing 5–10% price increases. (Managing Director8BO)*

*Ability to negotiate the price.* In relation to bargaining, buyers may also suggest changes to product specifications in order to reduce prices. Elsewhere, price offers must be binding because they are the foundation for the customer's prices, to which customers have to commit for a fixed period. In price negotiations, the timing of making the offer was deemed crucial: generally prices should not be discussed until buyers understand the fundamentals of the product. Salespeople's authority to negotiate the final price was stressed. In price questions, hiding behind the principal was disapproved of.

*Everything else should be discussed before moving on to prices. If you slam your price to the table first hand, you are in the wrong place. [...] you simply must have room to negotiate. Having been able to negotiate something for themselves, customers can go home happy. (Managing Director17BO)*

*You must have a full authority [to make decision on the price], otherwise it does not simply work. (Managing Director17BO)*

Overall, prices were surprisingly significant in the procurements of Finnish technology industries. Therefore, prices were addressed in several contexts prior to and after the section reserved for discussions on price. Although purchasing budget and budgetary constraints were only addressed by a few interviewees, they nevertheless remained the underlying factors that influenced the purchase decisions of Finnish buyers.

Elsewhere, in contrast to general presumptions, the competitiveness of the prices of long-term suppliers is also re-evaluated on a regular basis. Meanwhile, global competition – and especially competition from low-cost

countries – imposes pressure on buyers, thereby influencing their position. For salespeople, managing price setting and an ability to negotiate prices was identified as a key competence area. It can be said that a right price setting is a ‘value as such’ for buyers resonating with Jokiniemi’s (2014) finding that value can be addressed also as an independent phenomenon instead of a benefits minus sacrifices approach. Firms, in general, restrict the pricing authority of salespeople to avoid the sub-optimal substitution of selling efforts by price discounting, although there is evidence in favor of delegating pricing authority to the sales personnel (Hansen, Joseph & Krafft 2008). They found that firms could benefit from delegating pricing authority to the sales personnel through closely monitoring salespeople’s pricing. Also Frenzen, Hansen, Krafft, Mantrala and Schmidt (2010) found that delegating pricing to salespeople had a positive effect on firms’ performance. In addition, they suggest that salespeople’s flexibility in pricing is necessary in a B2B environment to better meet customers’ individual and changing requirements and market conditions. Salespeople have better knowledge about the customers’ situation in relation to their managers. The availability of IT-based sales data support also lends itself to pricing being delegated to salespeople.

The central role of the price issue may be partly a reflection of an international investment recession and reducing export demand causing cost cutting pressures for the companies. The market offering of the Finnish technology industry mainly consists of investment goods. However, the competitive edge of Finnish technology industry in general has developed positively in recent years (Suni & Ylä-Anttila 2011), although if comparing real unit labor costs, Finland has lost competitiveness to Germany and Sweden among others (Maliranta 2014).

According to the interviewees, proposed price increments by salespeople typically coincide with the pressure of buyers to reduce procurement costs. Nevertheless, if price increments are inevitable and justified exhaustively by salespeople, buyers strive to compensate for the increments elsewhere. Buyers also know well the market prices and the price structure of the product they are buying. This resonates with Sharma and Iyer (2011), who found that business customers are nowadays more knowledgeable thanks to the Internet and third-party advisors.

In conclusion, the significance of price indicates the use of a transactional selling approach. However, the buyers pointed out the importance of long-term relationships, that is, more than 80% of the relationships are long term, thus the use of a relationship selling approach with a ‘transactional aspect’ (price) seems to be the appropriate selling model for buying-oriented buyers.

### ***Adaptability to the negotiation style of the buyer***

‘Adaptability to the negotiation style of the buyer’ is a set of skills to achieve a negotiation result that satisfies both parties. The following specific themes were recognized:

*Ability to sense the buyer’s negotiations practices and to adapt to them.* The interviewees unanimously concluded that buyers are responsible for leading the negotiations, because essentially negotiations are conducted in order to develop a solution for the customer’s problems. Hence, the buyers believe they can influence the results more effectively. However, the lead is typically granted to salespeople in product presentation meetings.

*I always lead the discussion. I lead it and never let salespeople take the lead. We take off from our respective starting points, and I’m the one who decides what’s important to us. We lead it except when it’s a marketing meeting, where salespeople tell us how their products could benefit us. But when we’re making the deal, I want the lead. Because I know what we sell. That’s the way it goes. I’m responsible for our product, and our contract terms must be linked to the supplier.*  
(Managing Director8BO)

*Ability to be flexible in negotiations.* Pressurizing, misuse of negotiating power, dictating terms and inflexibility were deemed to dampen the climate in the negotiations. According to the interviewees, skilled negotiators are experts, are calm and systematic, and do not hurry or digress. In contrast, unskilled negotiators reveal their hand at the beginning of negotiations. Moreover, good negotiators are well-prepared, flexible and ready to make compromises because they acknowledge that generally the goal of the negotiations is to achieve a mutually satisfying solution. In addition, great salespeople promote open discussion and have situational sensitivity. Due to the susceptibility of negotiations to be prolonged, salespeople are also required to be resilient and resistant. On the other hand, being misleading, naturally, is not the way to establish long-term customer relationships. In general, small companies were commended for their agility whereas large companies were regarded as rigid.

*The politician types, who rely on gimmicks, are annoying negotiators. We should proceed in a structured manner, one item at a time. Whether the negotiations go well or not, we try to take the lead. And I want the opposition to follow that lead. But if they’re squirming all the time, digress or are all over the place, it’s over before you know it. You must put an effort into it. And that doesn’t mean you can’t disagree and be firm in price negotiations, for example. But you also shouldn’t be all over the place when we try to discuss the price – for example start waffling on the terms of payment – not that the two things aren’t connected – or move on to warranty costs. We either talk*

*about the price or warranty issues. A great salesperson is someone who listens. (Procurement Manager26BO)*

### **Closing skills**

'Closing skills' is a set of skills needed to successfully close the sale. The following specific themes were recognized:

*Aligning with the customer's decision-making process.* The ability to close a sale necessitates that salespeople introduce the terms of the deal to buyers and convince them of the company and of the product or service in question. In general, however, negotiations are adjourned due to the abundance of factors that need to be considered and the extensive approval process of customers. Removing obstacles is an absolute prerequisite to closing a deal because it is impossible to decide on an unfinished issue. Occasionally customers are unable to make a decision due to an incomplete competitive bidding process. Nevertheless, salespeople should not try to hasten the process of the customers or to bypass a phase in it, but should align with the customer's decision-making process in order to conclude the business. Moreover, salespeople are expected to summarize the agreed further procedures of both parties. On the other hand, pressurizing customers to conclude the transaction was deemed unacceptable. Due to the number of organizational levels involved in the purchase decision-making of large companies, salespeople must, however, display a degree of discreet resilience. In contrast, constant communication was widely regarded as an indication of an unskilled salesperson. Closing also requires that salespeople recognize and interpret the purchasing signals of buyers, although this feature was not particularly highlighted by the interviewees, who, on the one hand, regarded the concept of purchasing signals as alien but, on the other, emphasized the significance of situational sensitivity. Once a deal is ready for closing, it should not be prolonged further.

*It's extremely rare that decisions are made then and there. Negotiations are typically the basis for decisions for both sides. To make decisions then and there, that's car-dealer talk. (Material Manager11BO)*

*Some salespeople are pressing too much. I will tell them that the case is open, if it is open. If we are comparing the competing offers, I tell them that I'm waiting for the other offers. (Material Manager28BO)*

*Contractual skills.* A command of the principles of contract law was highlighted: skilled salespeople never sign contracts they do not judicially understand. Similarly, many identified a lack in the knowledge of the fundamentals of export and import techniques, as well as in knowledge of the conventions of payment and delivery terms and of logistics.

*For instance, if we talk about payment or delivery terms, there are still salespeople who don't know what FCA stands for. They don't know the fundamentals but still go about selling abroad. It demonstrates that they are technically oriented but don't have the command of the principles of commerce. (Purchasing Manager7BO)*

*Ability to make decisions.* Elsewhere, the interviewees recognized the significance of the support of companies in negotiations. Recently, the decision-making authority of salespeople has diminished as selling has become a centralized function; nevertheless, buyers generally hope that salespeople are authorized to make independent decisions in negotiations. Therefore, negotiations – particularly with salespeople from large companies which generally provide little support for salespeople in negotiations – often have to be suspended due to the lack of decision-making authority of salespeople. Meanwhile, conducting negotiations with inexperienced salespeople was regarded as an indication of undermining the buyer. On the other hand, in line with the shift to matrix organizations, the decision-making authority of buyers in large companies has also deteriorated.

*Centralization is another trend that has increased in selling. Salespeople are no longer able to make decisions but are ruled from above. In terms of contracts, salespeople have become solicitors, whose skills only enable them to make the offer. Then, when you are about to close the deal, salespeople are pushed aside, and the guys and solicitors from the central administration take over, especially when working on a larger purchase. I think the situation has taken a turn for the worse. Salespeople used to be fully authorized, but today, the salesperson across the table can only make his offer and live by it. They are not authorized to approve any changes to the terms or price – or anything really. And this is why negotiations today are often ridiculous. There simply is no point in continuing if you don't have the mandate to continue. (Managing Director8BO)*

*Of course it's annoying if salespeople are not authorized to negotiate. But today, that's something we just have to accept, as it's not like we have any authority either. Every question is taken to a board somewhere, and that's how these things have changed. (Supply Chain Manager25BO)*

*Sharing correct and timely information with the customer.* An answer to basic questions should be provided promptly. Salespeople who assume the role of a messenger hardly benefit the customers. However, the interviewees maintain that it is not necessary for salespeople to provide answers to all detailed enquiries if they possess the channels, desire and enthusiasm to resolve open issues without delay. Providing an erroneous answer in an

assertive manner was deemed unacceptable: if in doubt, salespeople should not respond to customers' questions. Customers ensure the compatibility of the product offered by posing additional questions. Principally, customers strive to establish long-term customer relationships, whereby additional questions are a means to prepare for and avoid surprises. Thus, salespeople should respond to the enquiries of customers immediately or, if there is mutual agreement, at a later date. In addition, salespeople are expected to address the concerns of customers over the weaknesses of products. Unanswered questions invariably arouse doubts in customers' minds.

*Great salespeople reply to them in an appropriate manner. And if not, they promise to study up and get back to us. Unanswered questions don't simply evaporate. They invite doubts, which may be groundless, but more often than not they are soft spots, weaknesses. It's never good if salespeople leave questions unanswered. After all, we always try to create long-term business relationships, and that's where we differ from consumer trade, where things are covered and veiled just so you can close the sale. But here, shortcomings are always revealed, and we try to address them beforehand. Least of all, we want nasty surprises that we cannot prepare for. (Supply Chain Manager25BO)*

In sum, a number of interviewees maintain that buyers conduct the negotiations – and decide whether they continue or are suspended – due to the underlying objective – to resolve customers' problems. Negotiations are also the means for buyers to link the terms and conditions imposed by their customers on the supplier. Therefore, buyers typically co-ordinate and conduct the negotiations within their organizations. Control is defined by the extent to which the salesperson's controls the sales interaction (Weitz, 1981). Control can harm the relationship due to a lack of goal congruence. However, Biong and Selnes (1995) found in their study of purchasing people that the effect of the salesperson's control behavior was not significant. In contrast to this, the buyers of the present study wanted to lead the negotiations, and they gave the lead to salespeople only when presenting the solution. The literature differentiates between two major negotiation orientations: distributive (or competitive or Win-Lose) negotiation and integrative (or collaborative or Win-Win) negotiation (Jelinek 2014). My study emphasizes salespeople's ability to recognize the buyer's negotiation style.

To achieve a satisfying outcome, flexibility, readiness to compromise, diplomacy and rationality were identified as crucial negotiation skills for salespeople. Thus, great salespeople are flexible and thoroughly and profoundly understand the issues discussed. By creating a genuinely positive negotiation climate, salespeople are able to establish a good rapport with the buyers. Although many highlighted the significance of preparation, it was

generally recognized as an area in which both negotiating parties could improve, as due to schedule pressure, buyers are rarely able to prepare exhaustively.

The significance of the ability to make decisions was emphasized: if salespeople are not authorized to independent decisions or lack up-to-date information, the negotiations are a waste of time for buyers, destroying value creation (e.g. Grönroos 2007, 157–158). When closing the sale, it became clear that the use of the selling orientation is not suitable due to its aggressive nature. Avoiding the use of high pressure in selling is one of the basic elements of customer orientation (Saxe & Weitz 1982). Long-term customer relationships, meanwhile, facilitate mutual understanding and, thereby, the closing of sales. In general, the buyer side seems to stress the negotiation part while the seller side stresses the presentations part.

#### 4.3.2 *Salesmanship competencies in the context of the procurement orientation*

##### ***Understanding customer requirements***

In relation to ‘understanding customer requirements’, the following specific themes were recognized: *Recognizing customer needs* and *ability to engage in dialogue*.

*Recognizing customer needs.* Well-prepared salespeople, who are familiar with the history, industry and product range of customers, and thereby have developed an understanding and vision of their needs, are appreciated by buyers. By familiarizing themselves with the product range of the company, great salespeople are better equipped to prepare and offer products suitable to the particular needs of the customer. Therefore, the interviewees suggest that salespeople should prepare thoroughly, by, for example, exploring the webpage of the customer in advance and creating a plan to conduct the needs identification.

Another central theme the interviewees associated with preparation was setting up the meeting, which should always occur well in advance due to the busy schedules of buyers. In contrast, unannounced visits were regarded as signs of incompetence. In addition, supplier candidates should strive to set up meetings personally, not via intermediaries like secretaries or other third parties. Here also, the flat organizational structure of Finnish companies, and their consequent lack of support services, was highlighted.

*I hate it when they call from the parking lot to ask if I got time. That's not the way to go about it; it will get you nowhere – we all have stuff to do. (Material Manager30PO)*



Furthermore, great salespeople study the norms and history of foreign cultures prior to making the initial contact in order to avoid mistakes. The interviewees emphasize that even moderate efforts to familiarize oneself with the foreign culture facilitate the establishing of customer relationships and will prove advantageous especially in social interactions after the negotiations. In this regard, the American selling style was commended for its emphasis on preparation.

*Here, the Americans are the absolute best, there's no denying that. Their preparation is unparalleled, and when they arrive with their presentations, it's obvious they have familiarized themselves with the company in advance. (Regional Manager5PO)*

Generally, thorough preparation is an asset to salespeople: it depicts the salesperson in a professional, favorable light and is a gesture of respect to the customer. Moreover, buyers value well-prepared salespeople who understand the needs of the customer in advance and thereby allow the negotiations to progress swiftly.

The interviews of procurement oriented buyers indicate also, like the buying oriented buyers, that no single correct method for needs identification can be determined.

*I can't give you a panacea for that. Sometimes, the situation is quite clear with technical specifications, and then there are not too many options or room to maneuver. (Managing Director15PO)*

*Then you should try to understand the customer needs, not simply push your own products – because pushing your products, parts or components – or their features – that's not how things are done today. You must first understand the needs and problems of the customer that you can solve. (Regional Manager5PO)*

Salespeople must first and foremost understand – and also accept – the needs and problems of customers, which then must be addressed in a serious manner. A visit to the factory workshop to learn at first-hand about the processes and problems was suggested as a way to promote an understanding of the customers' needs. To get to a long-lasting and trustful relationship, the salesperson must invest in needs identification.

*First, you must be willing to recognize the need, whether the customer really wants to kick things off or not. But if I happen to have the need to solve a particular issue, then I'm almost ramming the information down their throats. (Purchasing Director6PO)*

*It hinges on how salespeople devote themselves to our processes by interacting with a variety of people in our company. Buyers and engineers are naturally involved, and at best, it's innovating in*

*concert with our engineers. That's the 'dream', to come up with something better together, by joining forces. We don't have the expertise in all equipment and products, but we have a superficial understanding of them, and we hope that that's where salespeople can contribute somehow. (Vice President18PO)*

### ***Ability to create a customized solution***

In relation to the 'ability to create a customized solution', the following specific themes were identified: *Ability to suggest a solution* and *ability to suggest an integrated solution*.

*Ability to suggest an integrated solution.* Salespeople were first and foremost required to suggest a solution for the particular problem of the customer. However, some procurement oriented buyers also expect salespeople to suggest an integrated solution for the customer. They underlined that great salespeople have the ability to understand the customer needs from the big picture's viewpoint. Customers are evaluating suppliers based on price, quality, supply capability, after-sales services and other services, and match them then with their own material stock levels and terms of payment. The solution may encompass additional services, buffer or consignment stocks, product training and flexibility in deliveries. Additional components of an integrated solution were regarded as added value factors.

*A salesperson must be able to sell beside the product also services and be flexible. Seeking for flexibility and added value; added value could be anything whatever from logistic solutions to product training. (Purchasing Director6PO)*

### ***Sales presentation skills***

In relation to 'sales presentation skills', the following specific themes were identified: *The ability to recognize customer value, make fact-based presentations and summarize the sales message*.

*Ability to recognize customer value.* As part of the solution package, salespeople should generate apparent savings for customers or improve the quality of their products. Therefore, buyers essentially require solutions with reasonable total costs – solutions which either promote the customer's profitability or are more affordable than solutions by rival companies. In addition to justifying the benefits of their products, salespeople must be able to objectively compare them with the benefits offered by competitors. Summarizing why customers should select their products is part of the competence of salespeople.

*[...] but how the solution represents a cost-effective and profitable solution to us, and possibly also to them, is extremely important. They should come and propose: 'Here's what you do, this is a cheaper way*

*to produce, a cheaper way to manufacture.’ (Purchasing Director24PO)*

In particular, the interviews suggest that salespeople should concentrate on providing added value to customers. Thus, identifying the added-value factors and the benefits stemming thereon is vital. In addition to economic and technical improvements, benefits may include services, training, spare parts and logistics solutions, which include just-in-time deliveries, buffer stocks and consignment stocks, on the one hand, and convenient order and delivery routines, maintenance services and prompt delivery and response times, on the other. Emphasizing added-value factors is particularly vital for new suppliers, who strive to distinguish themselves from the competition. With added value, a higher price can be set and payback time over the long term is decisive.

*Quite often we also evaluate [the benefits], how we see the total saving, whether it’s saving in assembling or procurement or whether we get something else. Through shorter delivery times, we can decrease our material stock or even totally give up it. (Procurement Manager23PO)*

Elsewhere, salespeople must have a command of the greater processes, rather than details, and recognize the economic impacts of their solution proposals, which, in turn, should be quantified and justified with calculations. In addition, salespeople must recognize the impact and significance of their solutions for, first, the customers’ products and, finally, for the customers’ customers. By demonstrating benefits numerically, salespeople can promote the assessment process of customers.

*Engineering’s [salesperson] specialty might be tackling details. The customer is looking for the whole solution. [A great] salesperson can reason and verify with his calculations that his proposal leads to improvements in the last line or cash flow, that is, he understands the financial issues and where they come from and their impact on the customer’s product. (Purchasing Director6PO)*

In sum, compared to the buying-oriented buyers, the procurement oriented-buyers suggest that salespeople put more effort and energy into clarifying customers’ needs by carefully studying the customer’s situation, understanding and accepting customers’ needs to build a foundation for long-term cooperation. This resonates with the suggestion by Bonney and Williams (2009) concerning the requirements of solution selling. Besides suggesting a solution, a capability to suggest an integrated solution is also expected from salespeople (cf. Evanschitzky et al. 2011; Storbacka 2011; Tuli et al. 2007; Ulaga & Loveland 2014). Regarding the ability to recognize customer value, improvements to customers’ product and processes, including the provision of

calculations, are expected. Illustrating the value of the solution to the customer is one of the value quantification capabilities suggested by Storbacka (2011). It resonates also with value communication as a dimension of value-based selling by Terho et al. (2012). Other competencies – ability to engage in dialogue, ability to suggest a solution and make fact-based presentations, and the ability to summarize the sales message – are equivalent to the buying orientation.

### ***Price setting skills***

In relation to ‘price setting skills’ the following specific themes were identified: *Understanding the meaning of the price for the customer, ability to set the price on the appropriate level, ability to work out the price changes, and ability to negotiate the price.*

*Understanding the meaning of the price for the customer.* Instead of the purchase price, the total cost of ownership – which considers not only the price itself but also, for example, delivery times and quality – emerged markedly in the interviews. Indeed, total economic optimization and cost management, rather than prices, were identified as the principal objectives of buyers. The role of prices further diminishes in partnerships, where mutual interests are considered in sharing the pie. Salespeople can, however, justify higher prices with a lucid added value proposition.

*You haggle over the price, and it's only natural to talk about it a lot. But, it revolves more around total cost thinking: we must identify the factors that make the price. (Vice President18PO)*

*We like to discuss things quite openly, because we are not about to pay extra for anyone. Sometimes, of course, the price may be slightly higher, if it means added value to us, something only this salesperson can offer, like flexibility. (Purchasing Manager16PO)*

Yet, the interviewees acknowledged that despite the prevalent total costs ownership issue, price remains a decisive factor for the procurement of certain universal parts, provided they fulfil the minimum requirements. In addition, price also remains a crucial criterion in supplier selection and component procurement in certain industries.

*Ability to set the price on the appropriate level.* Procurement buyers surprisingly underlined strongly the setting of the price at the appropriate level from the beginning and that market price sets the limits to the price setting. An absolute price is not decisive, but it is important how the price relates to competitors’ prices. Salespeople must ensure that the price is lower than the market price or at least competitive. Buyers state that they know quite well the market price in their own industry.

*The market is quick to give signals if we are too expensive. And as we start digging for the reasons, we also re-evaluate our partners and do what we think is necessary. (Purchasing Director6PO)*

*It's dubious if you slash the price in your first offer by 10% after the negotiations. [...] you're not creating a footing for a long-term relationship, as now we can never be sure what your next move is. (Material Manager29PO)*

*Ability to negotiate the price.* Also, here, the interviewees signaled the significance of the decision-making authority by stating that, ideally, salespeople can negotiate the price independently. However, many also regard it as acceptable if salespeople, incapable of fulfilling the price demands of the customer due to lack of authority, return to the issue later.

*It would be good to have enough decision-making authority. But there are situations when salespeople can't make the decision. And maybe that's us demanding too much. If we're already at the table, the process is prolonged when salespeople have to head back to the office to talk over things. Negotiations are always prolonged, but that will not scupper the deal. (Material Manager29PO)*

Cultural differences emerged here chiefly in the form of the arbitrary prices of Far Eastern companies, especially at the beginning of a customer relationship: the pricing techniques employed by Chinese salespeople – and to a degree by Turkish and Polish salespeople – were recognized as distinct from European conventions.

*Price setting here in the western world is at least consistent although maybe not always fair. The Chinese reduced their price to the Finnish level and presented several documents through which they grounded the huge price reduction. As a result of that, it is difficult to get into long-term business relationships. (Procurement Manager23PO)*

In sum, compared to the buying oriented buyers, procurement oriented buyers underline total cost thinking. However, they also emphasise salespeople's ability to set the price at the appropriate level from the beginning. They seem to have more tolerance to await the final price due to the selling company's decision-making process while buying oriented buyers prefer a price solution on the spot.

The price-related aspects emerged repeatedly in the interviews. This finding is supported by Karjalainen and Salmi (2013), who found in their study that Europeans emphasize a reduction in prices and total cost of ownership as purchasing strategic objectives, while North Americans focus on compliance with social and ethical guidelines.

Buyers invariably appreciate salespeople who do not ‘play’ with prices. Price and price negotiations are generally associated with transactional business relationships, although these interviews indicate that they are crucial also in long-term customer relationships and in solution-selling contexts. This finding is confirmed by Sharma and Iyer (2011), who found in their study that traditional pricing models are still predominantly being employed for solution pricing, partly due to the intensive competition. New value-based pricing models are only emerging.

Dutta, Zbaracki and Bergen (2003) argue that price-setting is a capability, and they conceptualize price-setting at the company level as the process of the following dimensions: identifying competitor prices, setting pricing strategy, convincing the customer of the price change logic and negotiating the price. This resonates with my findings at the individual level: Understanding the meaning of the price for the customer relates to setting a pricing strategy, the ability to set the price at the appropriate level relates to identifying competitor prices, the ability to work out the price changes and the ability to negotiate the price relates to convincing the customer of the price change logic and negotiating the price.

#### ***Adaptability to the negotiation style of the buyers***

In relation to ‘adaptability to the negotiation style of the buyers’ the following specific themes were found: *Ability to sense the buyer’s negotiations practices and to adapt to them and ability to be flexible in negotiations.*

#### ***Closing skills***

In relation to ‘closing skills’, the following specific themes were recognized: *Aligning with the customer’s decision-making process, contractual skills, the ability to make decisions, and sharing correct and timely information with the customer.*

No essential differences or nuances of negotiations skills could be found between buying and procurement orientations. However, an interesting finding concerns objection handling. The term *objection* is a concept that originates from the tenets of consumer sales. Indeed, the interviewees did not appear to recognize the term or regarded it as foreign or negative in tone. Instead of counter-arguments, customers want to know more of the products and the risks associated with them. Thus, in a business-to-business context, enquiries, additional questions or customer concerns delineate the issue more competently.

*Then, the selling trainings and techniques which refer to dismissing or tackling objections – or providing arguments and justifying your claims – they seem to be associated more with selling consumer commodities, offering something new or unique, and salespeople*

*trying to persuade customers to shift from one product to another. I'm inclined to think that in a business-to-business environment, they are not as significant. (Managing Director15PO)*

In general, additional questions are posed to acquire more information about products to ensure their applicability for the projected purpose and to evaluate the supplier from the long-term perspective. Product knowledge enables salespeople to respond to these questions without delay, or if agreed, at a later date; for customers, delayed responses are waste of time. In the context of business-to-business selling, objections are a means of amplifying the customers' knowledge of the products or services offered rather than a means to juxtapose salespeople and buyers. However, the position of buyers often allows them to express their views in a relatively blunt manner.

#### 4.3.3 *Salesmanship competencies in the context of the supply management orientation*

##### ***Understanding customer requirements***

In relation to 'understanding customer requirements', the following specific themes were identified: *Recognizing customer needs and ability to engage in dialogue.*

Compared to the procurement oriented buyers, the supply management buyers also emphasized putting additional effort and energy into clarifying customers' needs.

##### ***Ability to create a customized solution***

In relation to the 'ability to create a customized solution', the following specific themes were identified: *Ability to suggest a solution; ability to suggest an integrated solution.*

Supply management buyers did not speak of an integrated solution but they referred to the system supplies, part deliveries and turnkey deliveries, which are associated with integrated solutions.

##### ***Sales presentation skills***

In relation to 'sales presentation skills', the following specific themes were identified: *Ability to recognize customer value, fact-based presentation and ability to summarize the sales message.*

In sum, all sales presentation skills are similar to the procurement oriented buyers' presentation skills.

### ***Price setting skills***

In relation to ‘price setting skills’, the following specific themes were recognized: *Understanding the meaning of the price for the customer, an ability to set the price on the appropriate level, an ability to work out the price changes and an ability to negotiate the price.*

As regards *understanding the meaning of the price for the customer*, the supply management buyers did not underline the meaning of total costs like the procurement oriented buyers did. Neither did they emphasize the fundamental position of the price to the extent the buying oriented buyers did. Meanwhile, they claimed to employ the Win-Win philosophy in the price issues and underlined a greater willingness to create partnerships than the price rival. However, they also exploited the Win-Lose approach if their negotiation power made it possible. In addition, the interviews suggest that partners had to comply also with the market prices, and therefore partnerships were re-assessed at appropriate intervals and subjected to competitive bidding.

*Price increases to customers must be justified – for me that’s not a problem. But when you are in a partnership, it’s understandable that suppliers can’t sell at a price below their costs – it’s only reasonable. We can’t overpay, but neither can we kill the supplier. All that comes from competitive bidding, which also enables us to see the general price level. (Sales and Procurement Manager20SMO)*

*Nowadays, it is more and more looking for Win-Win pricing. But if we stay ahead of the game, it’s in our interest to exploit the situation. In case of a big supplier, our possibilities to influence [the price] are limited. (Vice President, Procurement and Logistics10SMO)*

In sum, the price is a key issue also in the context of supply management orientation and provides that the salespeople manage all parts of the price setting. Supply management oriented buyers seem to follow a combination of Win-Win and Win-Lose price negotiations strategies. Buyers who rely on salespeople employ more Win-Win, that is ‘integrative’ bargaining strategies (Doney & Cannon 1997).

### ***Adaptability to the buyer-driven negotiations***

In relation to the ‘adaptability to the negotiation style of the buyers, the following specific themes were found: *Ability to sense the buyer’s negotiations practices and to adapt to them and ability to be flexible in negotiations.*

### ***Closing skills***

In relation to ‘closing skills’, the following specific themes were recognized: *Aligning with the customer’s decision-making process, contractual skills and*



*ability to make decisions, and sharing correct and timely information with the customer.*

In sum, the same specific competencies concern the buying oriented buyers and the procurement oriented buyers as the supply management oriented buyers. No essential differences or nuances could be found between them.

Table 15 summarizes the results related to the salesperson's salesmanship competencies valued by the buyers. All buyers regardless of their purchasing orientation value 'adaptability to the negotiation style of the buyer' and 'closing skills' in the same way. All other major knowledge and skills differ to some extent among the buyers.

Table 15 Specific and major knowledge and skills belonging to the salesmanship competence area by purchasing orientations

<i>Specific knowledge and skills</i>	<i>Comparison of specific knowledge and skills between</i>			<i>Major knowledge and skills</i>
	<i>BO</i>	<i>PO</i>	<i>SMO</i>	
Recognizing customer needs Ability to engage in dialogue	●	●●●	●	Understanding customer requirements
	●	●	●	
Ability to suggest a solution Ability to suggest an integrated solution	●	●	●	Ability to create a customized solution
	○	●●●	●●	
Ability to recognize customer value Fact-based presentation Ability to summarize the sales message	●	●●	●●	Sales presentation skills
	●	●	●	
	●	●	●	
Understanding the meaning of the price for the customer Ability to set the price on the appropriate level Ability to work out the price changes Ability to negotiate the price	●	●●●	●●●	Price setting skills
	●	●	●	
	●	●	●	
	●	●	●	
Ability to sense the buyer's negotiations practices and to adapt to them Ability to be flexible in negotiations	●	●	●	Adaptability to the negotiation style of the buyer
	●	●	●	
Contractual skills Aligning with the customer's decision-making process Ability to make decisions Sharing correct and timely information with the customer	●	●	●	Closing skills
	●	●	●	
	●	●	●	
	●	●	●	

Recognizing each customer's purchasing orientation facilitates the salesperson to employ the most suitable salesmanship competencies required in initiating and continuing the relationship with the customer.

#### 4.4 Interpersonal competencies

First, I summarize the conclusions drawn from the analysis of interpersonal competencies by major knowledge and skills and by purchasing orientations. 'Communication skills' are equally shared by buying, procurement and supply management buyers. 'Effective interaction with buyers' is equally shared by all buyers except for adaptation skills. In relation to adaptation, procurement oriented buyers expect that salespeople keep their personality during interactions. Next, in Chapters 4.4.1–4.4.3, I will present more thoroughly the major knowledges and skills belonging to the interpersonal competence area. The results will be offered separately in each purchasing orientation.

##### 4.4.1 Interpersonal competencies in the context of the buying orientation

In the present study, I separate interpersonal skills into communication and interaction skills.

##### **Communication skills**

'Communication skills' is a set of skills to secure formal and informal sharing of meaningful and timely information compellingly. Communication has already been discussed in various contexts in this paper due to its significance in interpersonal interaction, which is an underlying feature of selling. The author, nevertheless, believes that communication must be addressed as a separate theme focusing on communication skills. The following specific themes were identified:

*Effective listening.* According to the interviewees, listening skills are the key communication skill of salespeople. In fact, they emphasized that virtually no other communication skills requirements apply; by listening to buyers, salespeople get to understand the needs and challenges of customers. Effective listening is not just passive listening but includes asking and replying to questions and natural dialogue between the buyer and the salesperson.

*No slick excuses. You must be able to listen. But no tongue-tied salespeople either, because you also have to be able to take initiative by asking and making sure things progress. (Procurement Manager26BO)*

Salespeople should, at least, establish a balance between listening and speaking. Often, however, salespeople merely pretend to listen, which becomes evident soon as discussions progress. Listening, therefore, entails giving room to the other party and is, essentially, a personal quality. Typically, salespeople are talkative, self-assured and even complacent, and thus prone to missing relevant information.

*You must be able to listen to what the other side has to say. You must have the social skills to give room to other people. Usually, the people in sales are the types who like to talk – a lot. Some may even be self-absorbed, and they are the ones who often fail to hear what it is that the customer really wants. Salesperson recruiters seem to favor the type who is self-confident and social, but they should also be able to listen. (Purchasing Manager21BO)*

*Fact and task orientation.* Buyers value fact orientation in all communication between the salesperson and the buyer. Regardless of the communication form that opens the meeting, whether presentations, negotiations or conflict solving, the salesperson should focus on handling facts in an open, transparent, informative and honest way. Moreover, due to the buyers' time constraints, fact-oriented communication and not time-consuming informal and social communication is preferred.

*It's important that salespeople also take the customer into consideration. Your output must be comprehensible and you must be able to follow the plot, so to speak. You shouldn't exaggerate though, but tell things realistically and earnestly. You should realize that this is not the first day for the buyer either, he also knows a lot about the topic. So, you must be considerate, and not go on excessively with the sales speeches. Buyers are also up-to-date and committed to the cause. You should have an interactive grip and try to find out what the buyer actually thinks – in a way you should be on the same wavelength, and that's how you achieve good interaction. (Managing Director2BO)*

In general, negotiations in Finland commence relatively promptly after a brief chat, due to the task and result orientation of the Finns. Nevertheless, chatting was deemed significant during the initial contact, although thereafter its significance diminishes. It was suggested that great salespeople can distinguish the style of the opposing side and deduct whether chatting is necessary and what is a suitable balance between chatting and de facto negotiations.

*We may start with greetings, but because we are both often in such a hurry, I certainly wouldn't call it chatting. The Finns are task and result oriented; we have to produce results. Tasks are taken care of then and there while nothing else really matters. (Managing Director8BO)*

*Ability to convince.* The interviewees also noted that salespeople should possess the ability to convince customers always when communicating with them. The salesperson should find the best means of meeting buyers' expectations: one should express oneself clearly, present the information in a clear and concise manner, be proud of one's product and the company, inspire the customer, while, at the same time, avoiding being too persuasiveness. Even during the initial telephone conversation, the salesperson should convince the buyer and acknowledge that buyers generally have not anticipated the call.

*Sometimes I've said on the phone that, 'okay, you have two minutes to convince me why I should let you in. Give me a reason'. And I presume that the salesperson has done his homework, knows something about our company, can present solutions – for example services – and can also tell what makes his solution better than the competitor's. (Vice President, Procurement and Logistics IBO)*

*You should be prouder of your product and appreciate it. Quite often you are too modest when talking about your product. (Purchasing Manager 2 IBO).*

*Ability to share information.* In addition, chatting is a means to acquiring information about the company's situation – their recent investments, industry and both the local and global market. However, due to the temporal constraints on customers, chatting should not turn into rambling chitchat. Instead of chatting, buyers prefer information sharing when opening any meeting with the customer.

*Small talk is important because you get a feel for the situation the other company is in, and of how they and the industry are doing in general. You get an immediate grip on what's the situation in Finland, in Europe, in Scandinavia or globally, which is definitely a good thing. But talking about the weather is hardly helpful. (Vice President, Procurement and Logistics IBO)*

Buyers appreciate it when salespeople organize annual or quartile reviews on issues relating to the supplier's quality and delivery capabilities as well as volumes, revenue, demand forecasts, complaint statistics, market situation and product introductions. Some interviewees acknowledged that salespeople should collect feedback on the competitiveness from customers. Through this information, the company can develop its business and competitiveness. Thus salespeople were assumed to take a more strategic role in their job.

*Bigger suppliers supply us with sales statistics every sixth month without any separate request. I regard it as a very good habit. (Vice President, Procurement and Logistics IBO)*

*Salespeople must also use the feedback from the market to develop the company's business. That's really an important thing for salespeople – if we can't sell anything because of our high costs, long delivery times, lousy quality, incompatible documents and lack of technical support, just where do we need to improve? Organizationally, salespeople spearhead company development and must relay market feedback to the executives, to let them know where they stand. If the executives don't lend an ear or are self-absorbed, you must change the executives or send them off to training. (Managing Director8BO)*

In sum, communication is the basis of interaction in business relationships and 'sales' in general can be regarded as the most obvious communication activity by the seller (Ford, Gadde, Håkansson & Snehota 2003, 79). The lack of selling skills generally seems to stem from a lack of communication skills. Sound listening skills and fact orientation, especially, were identified as good qualities of salespeople. The importance of listening skills has been widely recognised in selling literature for years (e.g. Castleberry & Shepherd 1993; Ingram, Schwepker & Hutson 1992; Marshall et al. 2003; Shepherd, Castleberry & Ridnour 1997; Williams & Attaway 2003). The previous selling literature points out awareness of body language and understanding of nonverbal communication (e.g. Rentz et al. 2002; Marshall et al. 2003). None of the respondents in this study reported the importance of nonverbal communication. This would seem to suggest that fact orientation dominates among the communication skills valued by buyers. However, fact orientation in communication does not exclude or offset having a convincing ability, but facts boost such convincing. Great salespeople are capable of open and cohesive discussion, do not digress or ask too many questions and should present their ideas with lucid arguments. Sound communication, hence, together with good manners and following the rules of etiquette, create a positive climate for negotiations.

The opening is significant in getting acquainted with the opposing side, creating a positive climate for negotiations and acquiring topical market information. It is especially important that chatting should always incorporate an exchange of relevant information.

In conclusion, the salesperson's communication skills seem to be equally important in selling in general and in customer relationship management. Biong and Selnes (1995) suggest that communication and conflict handling have a universally positive impact on relationship continuity. In this study, I address communication and presentation in separate sections and focus on communication, as in information sharing. This differentiation resonates with the Harvard University Competency Dictionary (2008), which differentiates communication from formal presentation. The latter allows time to prepare for a presentation and the focus is on the delivery of a talk. However, the

dictionary points out that communication skills as such are important also in formal presentations.

### ***Effective interaction with buyers***

‘Effective interaction with buyers’ is a set of skills to enable getting along with customers on a daily basis, treating customers with dignity and respect, behaving appropriately in given situations and demonstrating initiative during the buyer-seller interaction. The following specific themes were recognized:

*Social skills.* The interviewees highlighted that the salesperson needs social skills. They must be an extrovert to a certain extent, and possess good manners and etiquette. The importance of manners was emphasized to a surprising degree. Some interviewees signaled that Finnish salespeople should adopt a more formal and polite approach, despite the fact that elsewhere immediacy was widely regarded as a strength. The salesperson must be an ordinary person in the sense that their appearance is clean and conventional. On the other hand, buyers wanted that salespeople keep to their personality but at the same time behave in an appropriate way. Salespeople who are too talkative and outgoing are not appreciated by buyers.

*There are some who don't give the floor to anyone, and they are really annoying. (Procurement Manager26BO)*

The following attributes describe the ideal personality of a salesperson. They should be a mix of the following: reliable, honest, candid, natural, enthusiastic, humble, sincere and self-confident. A willingness to break out from one's comfort zone was also widely appreciated. In contrast, the following attributes were identified as undesired qualities: rigidity, arrogance, snobbishness or being bureaucratic or ingratiating.

*The basic qualities that all great salespeople must have are honesty and reliability. Building trust takes time, but it's a fact that you can lose it in a heartbeat. A single dishonest deed, and the trust is gone for good. That's a basic requirement for great salespeople. (Project Adviser4BO)*

According to the buyers, Finnish salespeople on average are honest, humble, reliable, easy going, candid, reliable, straightforward, methodical, task-oriented, enterprising and flexible. The quality of easygoingness was attributed to the prevalent enterprise culture and tradition of industrial democracy in the Nordic countries, which moderates corporate hierarchy in comparison to many other countries. In brief, Finnish buyers appreciate task-oriented salespeople but shun excesses of self-confidence.

*Their skills may be clearly lacking, but they try hard and want to see things progress. I take them more seriously than someone who*

*rambles on with his litanies. There's no way I'm listening to the litany of that slicker. I have to listen to those constantly, please get to the point already, tell me what this is all about. In the end, that's what the Finns appreciate, task-orientation and dedication. (Managing Director8BO)*

*Honesty is something you can't find everywhere. Sincerity, honesty and uprightness, that's probably the better way to put it – they're the virtues of Finns. (Procurement Manager26BO)*

Discussions on the attitude of salespeople were hardly unequivocal. A remote approach to the restricted size of the Finnish market or the customer was considered disadvantageous by several interviewees. Positive attitude in general was not demanded from salespeople, although a sense of humor was required by some interviewees. Arrogance and insolence, according to the interviewees, are especially typical of salespeople of large companies.

*Once again we arrive at the size of the market and the size of the customer. For some they're obvious, but for others, not so much. Some think that they can't be bothered to come to Finland because we are such a small market. (Purchasing Manager7BO)*

Ethical skills as a part of the salesperson's social skills highlighted in the interviews relate to communication and interaction on the one hand, and corruption and bribery on the other. In addition, some acknowledged the complexity of distinguishing between unethical actions and regular customer relationship maintenance. Meanwhile, the varying concepts around ethical behavior were widely attributed to cultural differences.

In general, salespeople are expected to operate on a truthful basis. Being all-encompassing, promising too much, trumpeting products, lying, misinforming, disclosing confidential information and criticizing the competition were recognized as examples of unethical behavior, as a consequence of which the trust deteriorates. Salespeople should also be familiar with the ethical qualities of their products and company, in particular, in respect to the use of raw materials and labor force – a requirement which is also imposed on buyers.

*I often ask about the differences and compare products. A professional salesperson can illustrate the differences superbly, whereas others simply start bad-mouthing the rival product – which is something you should never do. (Purchasing Manager21BO)*

Implying bribery and business gifts that exceed the established standards were deemed inappropriate. A number of companies, in particular, the larger companies, have defined their ethical guidelines and regulations for encouraging ethical behavior. Thus, salespeople should always comply with

the recommendations of customers in order to avoid ambiguities. Bribery also poses risks due to the fact that regardless of the industry, people within a certain field are often acquainted with one another. Elsewhere, the various data systems have promoted transparency and therefore constitute a disincentive to corruption and bribery.

*It's alright to give souvenirs. But in some countries, the presents are quite exquisite, which is annoying and makes us a little awkward. It's not like we expect something. (Procurement Manager26BO)*

However, reasonable hospitality is not regarded as bribery, but rather a feature of customer relationship maintenance – as well as a platform for communicating and interacting. According to some, companies are over cautious and have consequently limited the social interaction between salespeople and buyers excessively in an attempt to avoid bribery implications.

*They have gone for the other extreme, which to me is ridiculous. Some free interaction is a must, but too much is too much. But if you have none, the customer relationship is like a relationship with a mail order company. Most of the time, it goes alright, but when you experience problems, or anything negative or positive – let's say we need more capacity or some other major thing like that – the personal relationship is significant. The efforts you put into solving the situation are decisive. If it's a formal relationship without any personal attachments, you can't achieve that. (Supply Chain Manager25BO)*

In sum, for Finnish salespeople, ethically dubious situations emerge primarily abroad, outside of North America and Europe. Such situations must always be resolved on the basis of the ethical guidelines provided by the salesperson's company, but it is hardly beneficial for salespeople to preach their views on ethical standards abroad. Unethical actions also include promising the moon, trumpeting products, lying and misinforming, whereas disclosing confidential information and criticizing the competition also reduce the reliability of salespeople. On the other hand, by operating on a sound ethical footing, salespeople can promote trust and, hence, strengthen customer relationships; ethical behavior highlights the professionalism of salespeople.

In conclusion, the salesperson's ethical behavior is a crucial component of customer relationship maintenance and development, and key to establishing trust. Buyers evaluate the performance of suppliers also from the point of view of ethicality. Corruption or bribery is also regarded as especially unethical behavior in a salesperson. According to the corruption perception index ranking of countries, based on how corrupt their public sector is perceived to be, Finland is one of the least corrupt countries in the world (Transparency International 2013). This result is mirrored in the attitude of Finnish buyers and salespeople on corruption and bribery in business relationships too.



*Adaptation skills.* According to the definition of adaptive selling, salespeople adapt their style and presentations to the social style of customers, as well as to the situation. It is recommended that salespeople develop and employ their adaptation skills always when communicating and interacting with the customers. Some interviewees note that salespeople should always take the style and personality of buyers into consideration – to a certain degree – and should adapt their message to comply with the sales situation and customers' expectations by revision when necessary.

*Salespeople who listen and can adapt the presentation for the particular situation [are good]. Of course, you have a fixed structure for presentations, but you should be able to make changes to that according to how the discussion develops. (Supply Chain Manager25BO)*

One interviewee stressed that salespeople should maintain their personal style when interacting with buyers and delivering presentation, as excessive and abrupt efforts at adapting are typically viewed as flattery and hinder negotiations. A change of style may invite impressions of unreliability and therefore result in loss of trust. However, the salesperson must find a business-like style.

*[...] we may have even discussed the issue a bit – and suddenly he takes on an entirely different role. It doesn't work. That easily becomes flattery. (Purchasing Manager11BO)*

*Sure, it's okay for salespeople to show their personalities. But if you always start in a very odd way, some reservations may quickly emerge. They may not prevent the deal from happening but may put people on their toes. (Supply Chain Manager25BO)*

Elsewhere, the interviews highlighted the significance of buyer-seller mutual understanding and personal chemistry, which can be categorized as one form of adaptation. Chemistry, in particular, was recognized as a precondition for co-operation, although most acknowledged its individual and, therefore, arbitrary nature: it is simply easier to get along with some people than it is with others.

*It is just easier to get along with some [salespeople]. The chemistries meet better so that the conversation goes easier. (Material Manager28BO)*

*Professional development skills.* Buyers generally believe selling skills – for example, product and customer knowledge and salesmanship skills – can be learned. Furthermore, many highlighted that salespeople ought to pursue further education in order to foster their professional development. The best way to develop sales expertise is through learning by doing and experience.

*You can learn to become a salesperson. Actually, I don't believe in born skills. Of course, there are certain limitations, for example, if you are a completely closed person. (Project Adviser4BO)*

*Definitely, you can learn whatever. Although you may lack a certain technical expertise, still you are able to convince and to take over a new technical field step-by-step. Thanks to your salesmanship skills, you know how to work with purchasing. (Material Manager28BO)*

Certain traits, for example, courage and social skills, were, however, regarded as innate, although vital to great salespeople. A degree in technology, similarly, was considered a positive for salespeople in the technology industry, provided they also have a command of the necessary commercial skills. Finnish salespeople and buyers were both characterized as engineers at their core, although the principal skills required for business-to-business salespeople can be learned. Salesmanship, in its derogatory sense, was not deemed something that can be acquired through education. In a similar vein, some interviewees suggested that people are born as salespeople. On the other hand, some questioned whether top salespeople are necessary in a business-to-business environment and posed the question of whether industrial professionals would suffice. The emphasis on commercial qualities by international sourcing functions, in turn, imposes distinct requirements on salespeople. Generally, however, selling was considered a vocation one can train for.

*I'd say that not everyone is equipped to become a salesperson. Sure, you can learn some skills, but I'd say that buyers and salespeople are commercially oriented. Salespeople must be able to make swift decisions, to read situations and be bold both here and in their own organizations. Great salespeople can also, of course, read the buyer. (Managing Director8BO)*

*Initiative.* Good salespeople must possess initiative and the interviews demanded that Finnish salespeople, in particular, assume a more active role. Salespeople need more initiative, among other attributes, in the follow-up to providing quotations, when presenting and when serving the customer after delivery. Generally, Finns, both as salespeople and buyers, are somewhat somber and reserved, and lack a proper temperament, according to the interviewees.

*We Finns lack such a proactive activity. (Project adviser4BO)*

*Avoiding hard selling.* On the other hand, an aggressive behavior is not a good manner for any salesperson to have, although their initiative is appreciated by buyers. Negative aggressive behavior had been traced in connection with needs identification by neglecting listening to customers' needs, by neglecting involving the customer into the presentation when presenting the

solution, and when negotiating an agreement without providing any flexibility as to the terms.

*It bothers me when salespeople come here to dictate. In a way, they put you between a rock and a hard place by saying if you want to buy from us, this is the price and there's no room to negotiate. (Vice President, Procurement and Logistics IBO)*

Keltikangas-Järvinen (2010, 17–23) notes a difference between ‘sociability’ and ‘social skills’. Sociability means how interested a person is in other people. It is a characteristic one is born with, while social skills develop through learning and experience. Thanks to social skills, a person is able to accompany other people and to survive in different social situations. The defining of social skills depends on the culture and the time. A socially skilled person has several action models to choose from and to use for each situation. They have the ability to understand other people, their viewpoints and feelings, they are well mannered. Also qualities like empathy, sympathy, social sensitivity and ethical behavior relate to social skills. Keltikangas-Järvinen suggests that a working life needs more social skills than sociability, although sociability contributes to the development of social skills. According to my study, buyers prefer salespeople’s social skills to their sociability. Qualities like trustworthiness, accountability, service-mindedness or integrity in general relate to a salesperson’s good social skills (e.g. Parvinen 2013, 101). Boyatzis (2009) categorizes competencies that sorts outstanding performers from average ones, among others in important sales job, into three clusters: (1) cognitive competencies, (2) emotional intelligence competencies and (3) social intelligence competencies, the last two clusters involving overlapping social skills. My finding resonates also with Ulaga and Loveland’s (2014), who found that solution selling from salespeople requires emotional stability and introversion instead of high sociability. These qualities also enable them to pay attention to details and to show persistence in everyday tasks.

Chemistry was recognized as a precondition for co-operation. It also makes getting along with other people easier. This finding resonates with Andersen and Kumar (2006), when they conclude that due to a lack of personal chemistry, business relationships fail to develop or fail to be sustained as long as might be expected. It was stressed that there needs to be an ability to be on the ‘same wavelength’ with the buyer, which overlaps with ‘reading the minds’ of customers, showing interpersonal psychological skills (Dietvorst, Verbeke, Bagozzi, Yoon, Smits & van der Lugt 2009).

Despite the widespread belief that a particular attitude, that is an expression of favor towards a person, thing, place or event is a prerequisite to selling, the views of the buyers on attitude remained incoherent in my study while attitude as an evaluation basis got the highest rate from sales managers. That is, 71%

from sales managers used attitude as an evaluation indicator in salespeople's performance evaluation (Jackson, Schlacter, Bridges & Gallan 2010).

Primarily, buyers value the knowledge skills of salespeople, which are only obtainable through education. Language skills and other special skills can similarly be acquired through studying. However, selling also entails negotiation, utilizing selling techniques and handling issues. Therefore, the interviews indicate that salespeople's professional development in an information-intensive industry, such as a technology industry, is beneficial and necessary to be successful. Continuous learning is part of a salesperson's learning orientation which originates from a salesperson's intrinsic interest in his or her work. It guides the salesperson to improve their abilities and manage the sales task. My finding resonates with Ulaga and Loveland (2014), who stress the importance of salespeople's learning orientations. Sujana et al. (1994) suggest that the salesperson's productivity depends, in particular, on developing a learning orientation. They further suggest that the learning orientation motivates the salesperson to work both hard and smart, that is, engaging in planning, changing sales approaches according to the situation and applying different sales approaches. Although age and gender (e.g. Franke & Park 2006) were generally regarded as irrelevant, experience was widely valued due to the ensuing development of professional skills and subsequent benefits provided to customers. These findings are confirmed by Dion and Panting (2000), for example. Also, Boyatzis (2009) suggests that advanced professionals and people in key jobs in sales require three clusters of behavioral habits as threshold abilities: (1) expertise and experience, (2) knowledge and (3) an assortment of basic cognitive competencies.

Traditionally, from the viewpoint of selling, a salesperson's activity has been ranked at a high level (e.g. Parvina 2013, 104). Finnish salespeople are criticized due to the lack of this activity. To some extent, however, this conclusion may be an illusion: the communication skills of foreign salespeople invite impressions of active salespeople, although in reality, tasks may be neglected. In the final analysis, the performance is evaluated by the buyer on the basis of the salesperson's concrete actions and accomplishments, instead of visible and fluent communication practices. To some extent, initiative demand is in a contradiction, because buyers emphasized that they want to lead negotiations and they provide that salespeople strictly follow the purchasing hierarchy, thus damping salespeople's initiative. In addition, salespeople's aggressiveness or hard selling is not a suitable selling approach in the consultative selling era either. Actually, aggressiveness can be addressed as a lack of a person's social skills (Keltikangas-Järvinen, 2010, 65). In order to reach their goal, salespeople may try to employ aggressive selling and closing tools.

#### 4.4.2 *Interpersonal competencies in the context of the procurement orientation*

##### ***Communication skills***

In relation to ‘communication skills’, the following specific themes were identified: *Effective listening, fact and task orientation, ability to convince, and ability to share information*. The same themes concern the procurement oriented buyers as the buying oriented buyers. No essential differences or nuances could be found.

##### ***Effective interaction with buyers***

In relation to ‘effective interaction with buyers’, the following specific themes were identified: *Social skills, adaptation skills, professional development skills, initiative and avoiding hard selling*.

*Adaptation skills*. The majority of procurement oriented buyers stressed that salespeople should maintain their personal style and personality always when interacting with buyers. Change of style may invite impressions of unreliability and therefore result in loss of trust. Thus, salespeople should not act – after all, the buyers are also individuals – but should rather maintain their own personality and style in a consistent manner. Buyers are not expecting a particular type of salesperson.

*Yes, you can see, if the salesperson has recently taken part in a selling training and tries to pull off something that’s not really him. Just be yourself, that’s the best approach. (Purchasing Director24PO)*

*You shouldn’t have to be an actor, if the role is something that’s not you at all. Being sincere is absolutely one of the key factors here. (Product Development Engineer22PO)*

*The variety of people is vast. It’s more a question of personality. You can present the same thing in a number of ways, and there are no correct versions. Luckily for us all! (Vice President18PO)*

In sum, communication and interaction related skills are equivalent to the buying and procurement oriented buyers. Anyhow, procurement oriented buyers emphasized, in particular, the significance of a personal touch in selling and indicated that abrupt changes of style stir anxiety in customers and may thereby hamper the establishing of trust.

Demands to adapt selling style to situations and customers, similarly, received a polarized reception. Some believe salespeople should strive to adapt their style to the expectations of customers in order to encourage personal chemistry. Presentations should, similarly, be customized according to the needs and problems of customers. These findings strongly support the

adaptive selling literature (e.g. Franke & Park 2006; Román & Iacobucci 2010; Spiro & Weitz 1990; Porter et al. 2003; Weitz et al. 1986; Withey & Panitz 1995).

McFarland et al. (2006) conclude that buyers are more complex than previously believed. Buyers' orientations, also referred to as social styles in the literature, are classified as task orientation, interaction orientation, and self-orientation.<sup>21</sup> Task-oriented buyers are goal oriented and want to accomplish the task efficiently. Self-oriented buyers focus on their own welfare. Interaction-oriented buyers prefer socializing aspects in the interaction process as well as interpersonal relationships. Buyers' orientations should guide the salesperson's influence tactics. Other interviewees, on the other hand, emphasized the significance of personality in selling, which should be maintained. Keeping one's own personality is a notion supported by Biong and Selnes (1995). They found in their study that personal similarity between the salesperson and buyer is most effective in low dependence relationships only. However, retaining a mainstream outward appearance is valued by buyers. My study further finds that unexpected changes in style stir anxiety among customers and may even prove a disincentive to establishing trust. This finding is supported by McFarland et al. (2006). They state that the existing research has neglected studying whether such adaptations are suitable. The focus of the prior research has been on the extent to which salespeople change and adapt their behavior, not on the suitability of the adaptations.

#### 4.4.3 *Interpersonal competencies in the context of the supply management orientation*

##### ***Communication skills***

In relation to 'Communication skills', the following specific themes were identified: *Effective listening, fact and task orientation, ability to convince and ability to share information*. The same themes concern supply management buyers as procurement and buying oriented buyers. No essential differences or nuances could be found.

##### ***Effective interaction with buyers***

In relation to 'effective interaction with buyers', the following specific themes were identified: *Social skills, adaptation skills, professional development skills, initiative and avoiding hard selling*.

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<sup>21</sup> Original source: Sheth, J. (1976) Buyer-Seller Interaction: A Conceptual Framework, in Proceedings of the Association for Consumer Research.

Also, the same interaction themes concern the buying oriented, the procurement oriented and the supply management oriented buyers. No essential differences could be found. In addition, the supply management oriented buyers did not underline the personality of the salesperson as the procurement oriented buyers did.

Table 16 summarizes the results related to the salesperson's interpersonal competencies valued by the buyers. All buyers regardless of the purchasing orientation value 'communications skills' in the same way while 'effective interaction' differs only slightly among the buyers.

Table 16 Specific and major knowledge and skills belonging to the interpersonal competence area by purchasing orientations

<i>Specific knowledge and skills</i>	<i>Comparison of specific knowledge and skills between</i>			<i>Major knowledge and skills</i>
	<i>BO</i>	<i>PO</i>	<i>SMO</i>	
Effective listening	•	•	•	Communication skills
Fact and task orientation	•	•	•	
Ability to convince	•	•	•	
Ability to share information	•	•	•	
Social skills	•	•	•	Effective interaction with buyers
Adaptation skills	•	••	•	
Professional development skills	•	•	•	
Initiative	•	•	•	
Avoiding hard selling	•	•	•	

Recognizing each customer's purchasing orientation and taking the interpersonal competencies valued by the buyers into consideration facilitates the salesperson in initiating and continuing the relationship with the customer.

#### 4.5 Relationship competencies

First, I summarize the conclusions drawn from the analysis of relationship competencies by major knowledge and skills and by purchasing orientations. 'Ability to recognize the rationale for the initiation of the relationship' is shared by all buyers relating to a value-based justification for the initiation of the relationship. In relation to the ability to understand challenges linked to supplier changes, supply management buyers expect there to be a strategic fit between the supplier and the customer, while an ability to show the supplier's

capability and a desire for long-term cooperation is especially important for procurement buyers. *'Relationship skills in the initiation phase'* are an ability to show a desire to investing in understanding the customer's business and requirements and salesperson's activity are equally shared with buying and procurement buyers, while supply management buyers do not stress this competence.

*'Ability to build trust through actions'* is, expectedly, equally shared by buying, procurement and supply management buyers. *'Ensuring customer satisfaction in the maintenance phase'* is shared by buying, procurement, and supply management oriented buyers as to ability to solve conflicts related to deliveries and service. There are some differences by nuances relating to ability to take care of the fulfilment of daily tasks; the procurement and supply management buyers expect and value that daily business is smoothly running thanks to salespeople's active role in follow-up. Relating to the ability to keep contact on buyers' terms is equally important for all buyers, but the procurement buyers stress the importance of salespeople's availability. *'Ability to nurture the customer relationship'* relating to the ability to build relationships in the long-term is fully shared with buying, procurement and supply management buyers, while the ability to build person-to-person relationships is very important for procurement buyers. Meanwhile, supply management buyers do not stress it.

*'Salespeople's proactivity in the development phase'* differs between orientations; understanding changes in customer's purchasing strategy is not any greater topic for buying oriented buyers while procurement and supply management buyers regard it as an important competence. Buying and procurement buyers expect that salespeople have the ability to suggest improvements to the customer's product and processes while the supply management buyers prefer development projects with a limited number of main suppliers. However, all of them value salespeople's ability to increase the share of the customer's business. Finally, buying oriented buyers do not underline the ability to build partnerships while procurement and supply management buyers regard it as a must. Next, in Chapters 4.5.1–4.5.3, I will present more thoroughly the major knowledges and skills belonging to relationship competence area. The results will be offered separately in each purchasing orientation.



#### 4.5.1 *Relationship competencies in the context of the buying orientation*

##### ***The ability to recognize the rationale for the initiation of the relationship***

‘Ability to recognize the rationale for the initiation of the relationship’ is a set of knowledge and skills to secure gaining sustainable access to a new customer. The following specific themes were identified:

*Ability to understand challenges linked to supplier changes.* In general, the interviewees emphasized that for new suppliers, gaining access to a new customer is difficult and that the threshold for initiating new customer relationships is high. Although some customers approach new suppliers broad-mindedly, wanting to provide them with an opportunity and thereby gain up-to-date market information, superseding a functioning customer relationship is a challenging task. Superseding a dysfunctional and unsatisfactory customer relationship, on the other hand, is much easier. Prolonged problems typically result in the termination of the customer relationship and change of supplier. Similarly, the relationship may be terminated on grounds of unreasonable price increments, lying, unfulfilled promises, and severe and repeated delays in delivery times or recurring customer complaints. Elsewhere, the ability of new suppliers to generate substantial added value in comparison to the current supplier may encourage customers to reconsider their commitments.

*You change suppliers only – and I really mean only – when they obviously have problems, or if a new supplier can provide added value. But other than that, I see no reason for changing suppliers. (Material Manager11BO)*

*Value-based justification of the initiation of the relationship.* Overall, new suppliers are expected to offer added value: price or cost advantages, superior technology, trustworthiness, delivery reliability and the possibility of long-term co-operation. The salesperson’s duty is to clearly emphasize the customer value.

*If we have a working system or solution, the only way to shoulder your way in is by offering a price that’s dramatically lower than the competitor. Naturally, if a new salesperson can offer us added value – something that our current supplier cannot – or if things are not going too smoothly, the situation is totally different. But if we have a working system, and you come in offering a solution for the same price, that’s not appealing at all (Supply Chain Manager25BO)*

*Ability to show the supplier’s capability and desire to engage in long-term cooperation.*

The rigorous requirements of certain industries often prove to be a barrier for new suppliers. In the case of certain products, on the other hand, small

companies' lack of capacity to engineer and test products may prove an insurmountable obstacle for a long-term relationship.

*Following the authorities' requirements is very demanding. The older suppliers know them, but for new ones, it's always a world of challenges. Usually, we show them the requirements and provide help in interpreting them, if necessary. But these are areas where we prefer to stick with our current suppliers, who already understand that world, in order to avoid needless surprises. (Purchasing Manager21BO)*

### ***Relationship skills in the initiation phase***

'Relationship skills in the initiation phase' is a set of knowledge and skills actively showing a desire for the new relationship. The following specific themes were identified:

*Ability to show a desire to investing in understanding the customer's business and requirements.* Well-prepared salespeople, who are familiar with the history, industry and product range of customers, and thereby have developed an understanding and vision of their needs, are appreciated by buyers. By familiarizing themselves with the product range of the company, great salespeople are better equipped to prepare and offer products suitable to the particular needs of the customer. Therefore, the interviewees suggest that salespeople should invest in understanding the customer's needs by, for example, exploring the webpage of the customer in advance, and maintaining that lack of preparation becomes evident virtually immediately in meetings.

*They try to offer such products we don't even need. The first contact is not for negotiating or for price discussions. It is for sensing and clarifying possible needs. (Vice President, Procurement and Logistics1BO)*

*Salesperson's activity.* Interviewees emphasized also that setting up the meeting should always occur well in advance due to the busy schedules of buyers. In contrast, unannounced visits were regarded as signs of incompetence. In addition, supplier candidates should strive to set up meetings personally, not via intermediaries such as secretaries or other third parties.

*An assistant called and said that a salesperson would like to sit down with us. Sometimes, they drop in without bothering to look up the company beforehand to see what it's about. Many put no effort into finding out the needs of the company. I've decided not to meet with people like that out of principle. (Purchasing Manager21BO)*

According to the interviewees, salespeople become active during economic downturns as if their superiors urge them to prospect, even to the extent that it is deemed agonizing. Nevertheless, buyers prefer long-term customer

relationships also during periods of economic turbulence. Buyers also acknowledge that new customer relationships virtually invariably flounder and thus stress that salespeople must be active – even excessively so – in monitoring deliveries during the early phase of customer relationships. The salesperson's activity was deemed significant in the early phase of the relationship, but as the relationship develops, this significance abates and is replaced with trust. Moreover, in the early phase of customer relationships, salespeople are responsible for establishing procedures, learning the relationship, ensuring functionality and networking between companies. The role of salespeople is crucial, particularly in initiating the customer-relationship in a manner that encourages long-term co-operation.

*Actually, in the beginning of the business relationship, the communication and interaction skills are of importance. After the initiation, if everything goes well, they can go back stage. You get to know the counterpart and you begin to rely on him. (Project Adviser4BO)*

Initiating customer relationships always poses a challenge for the competence of salespeople. Salespeople must recognize, in particular, the high threshold for supplier change, as well as the significance of communication and argue for added value generation. Because buyers typically also have a back-up supplier selected, supplier candidates actually compete with both the main and the back-up supplier.

### ***Ability to build trust through actions***

'Ability to build trust with buyers through actions' is a set of skills to show reliability in the relationship through keeping promises and being accountable'. The following specific themes were identified:

*Keeping promises.* Trust was identified as a central component in customer relationship maintenance. Exceeding the expectations of customers promotes trust. It is crucial to scale promises realistically to be able to keep and exceed them. According to the interviewees, trust can be evoked through actions by, for example, handling agreed responsibilities, responding to customer enquiries, showing flexibility, displaying initiative, meeting delivery times and being transparent. Building trust normally takes a long time as a result of small everyday actions.

*[Trust is built] through mutual succeeding in the interaction, leading to the common history on which the trust is based. (Purchasing Manager21BO)*

Salespeople can build trust by keeping promises regarding, for example, the functionality of the product, price, time or added value promises. On the other hand, excessive promises – and particularly lying – may result in loss of trust,

while repeated lapses, slow response times and unwillingness also deteriorate trust. Misleading information and disclosing confidential information similarly erode the foundation of the customer relationship. Essentially, trust stems from shared successes over time.

*[Building trust] doesn't differ from ordinary life, by keeping your promises, unquestionably; integrity and uprightness. (Material Manager11BO)*

*Salespeople's accountability.* Salespeople's accountability was also emphasized by the interviewees. It is important that salespeople take responsibility for the functionality of the product and the delivery. If something fails in the delivery, buyers assume that salespeople will take full responsibility. In addition, salespeople's willingness to see matters to their completion was appreciated.

*It is a good trait of a salesperson if he or she worries about the order. Although the order proceeds in the organization, he or she still should be interested in how it goes. (Procurement Manager 26BO)*

### ***Ensuring customer satisfaction in the maintenance phase***

'Ensuring customer satisfaction in the maintenance phase is a set of skills to secure daily cooperation fulfilling customers' expectations'. The following specific themes were recognized:

*Ability to take care of the fulfilment of daily tasks.* Ensuring customer satisfaction – principally by meeting delivery times, fulfilling the quality and specification requirements and providing a service constitute a variety of follow-up actions for salespeople. The role of salespeople in monitoring delivery times was highlighted: delivery times quoted in meetings need to be met, and salespeople are personally responsible to buyers for processing orders as well as monitoring and ensuring delivery times, regardless of how these responsibilities are organizationally distributed. Thus, salespeople must also have the readiness to decline unrealistic delivery time requests. Delivery times and reliability of deliveries are considered as added value factors because they enable customers to avoid production stoppages. Investment-like procurements, in particular, require that salespeople monitor deliveries and provide advice in issues that may emerge in deployment. Forgetting the customer after the sale was regarded as unprofessional. Follow-up was characterized as a window to the world of customers, offering a great learning opportunity to the salesperson. Moreover, salespeople are expected to display service inclination and skills – that is, salespeople should be not merely active, but also proactive and anticipatory.

*[A great salesperson] ensures that the machine delivered by him has started, whether there have been any problems in the introduction, whether there are any wishes for changes, what about use experiences. (Material Manager11BO)*

*Salesperson must be active and collect the feedback, especially if something went wrong. You have to dare to meet the truth. (Managing Director8BO)*

*Ability to keep contact on buyers' terms.* Contact must be conducted in an appropriate manner, determined by the extent of co-operation and the products delivered. The frequency of contact, in turn, is determined by the stage of the transaction: regarding issues in their active stages, daily communication may be necessary, while stabilized situations require no more than a few face-to-face meetings a year, supplemented with e-mails or telephone conversations. Contacting customers for its own sake, however, was deemed unnecessary. Instead, it should always entail an exchange of information and facts. Regular contact keeping was considered positive, whereas constant pestering phone calls were deemed to be negative. Ability to keep contact on buyers' terms is essential in the maintenance phase of the relationship.

*They should be about reporting actual things, the recent developments. You can't just drop in to say hello. (Procurement Manager26BO)*

*Certainly some salespeople should get in contact more often, just to keep us informed of the new products. Despite being a relatively small company, our product range holds thousands of components; you simply can't know them all. Of course, if any changes are introduced, it would be good to know about those too. (Purchasing Manager21BO)*

*Ability to solve conflicts related to deliveries and service.* According to the interviewees, solving conflicts and customer complaints encourages trust and thereby fosters long-term customer relationships. Salespeople are expected to address problems promptly by presenting facts and a rectifying plan – alongside an apology – rather than offering meaningless explanations. Instead of debating, salespeople should strive to resolve complaints by proposing compromises. In addition, the significance of communication in handling complaints was emphasized: the stages of processing the complaint should be communicated to the customer by open, face-to-face discussion – not by covering up – and the best possible results can be achieved as a result.

*Problems are bound to arise. It's totally understandable to have a couple of glitches. But afterwards, when you take care of it properly, the customer realizes that it's not just selling that's good here, but*

*also the after-sales. Once you establish that trust in a customer, then all you have to do is take in the orders. (Managing Director2BO)*

In contrast, the worst experiences forwarded by the interviewees entail not handling issues, delayed responses, passing the baton to the principal and hiding behind the principal. Makeshift explanations and over-scaled promises, similarly, were deemed to gnaw away at the trust of customers, while poor handling of complaints, defensive stances and shunting complaints to various departments also irritated the buyers. Moreover, handling complaints via e-mail only was considered an indication of lack of professionalism.

*Not taking care of things on time is something that always bothers me. Like, if you ask for an offer and give a deadline, the offer comes a week late or you have to call and beg for it. That's something that always leaves a bad taste in my mouth. (Vice President, Procurement and Logistics1BO)*

### ***Ability to nurture the customer relationship***

'Ability to nurture the customer relationship' is a set of skills to secure the continuation of the business relationships in the long term. The following specific themes were identified:

*Ability to build relationships in the long-term perspective.* The significance of long-term relationships was particularly highlighted; only one interviewee indicated that his company does not consciously strive to establish long-term customer relationships but rather operates on a transactional basis – although some long-term customer relationships had nevertheless unintentionally developed. In general, however, long-term customer relationships are preferred, with roughly four in five suppliers in the technology industries being long-term suppliers, the interviewees suggest. In addition, some interviewees referred to partners and key suppliers who are in an advantageous position to maintain the customer relationship. Long-term relationships are preferred especially in the most important procurements of customers. The significance of long-term relationships provides that salespeople also have the ability to build relationship in the long-term perspective.

*I'd guess about 80%; we try to achieve a long-term relationship with everyone of some importance, because changing suppliers always involves risks, there's always a learning phase and you have to invest in training and so on. That's why we try to keep the same suppliers, the ones who can keep up with the development. (Supply Chain Manager25BO)*

*Ability to build person-to-person relationships.* Most interviewees emphasized the essentially inter-personal nature of business. Regardless of the country or culture in question, purchases are made ultimately from people, not

from companies. Thus, salespeople symbolize their companies by being the communication gateways to their companies, and a good personal rapport facilitates business transactions – simply because pleasant salespeople are more pleasant business partners. Regular, continuous interaction enables salespeople to become the symbols of supplier relationships. The importance of personal relationships provides that salespeople have the ability to build person-to-person relationships with buyers. Elsewhere, the interviewees identified ice hockey games, golf rounds, factory visits and product fairs as other effective means of staying in contact with customers to foster the customer relationship.

*Business is done with good [personal] relationships in most cases. (Managing Director17BO)*

Excellent salespeople are able to encourage customers to increase procurements and abate the risk of decreasing order volumes. On the other hand, neglected tasks will result in a decrease in sales. Moreover, salespeople are key when customers decide between two very similar supplier candidates.

*[...] of course good salespeople try to sell everything when they gain access to a company. And it's only natural for us to ask for another product from a salesperson who has supplied to us before. (Purchasing Manager21BO)*

Contrastively, a few interviewees highlighted that customer relationships are principally realized on the inter-company level, reliability of deliveries and solvency of companies being central criteria in evaluating customer relationships. Similarly, the image and reputation of companies form the basis for customer relationships. Price level and services were also regarded as significant corporate level factors.

*People are rather important, and here we often do talk about the people. But of course the company in the background is at least as important – it's their products we're buying after all. (Procurement Manager26BO)*

Personnel changes, similarly, may hamper customer relationships and customer satisfaction. New salespeople, or old salespeople under new management, may reduce trust and thereby destroy the entire customer relationship.

*Personnel or management changes in the other company can damage the relationship. Everything that we have agreed on through the years is wiped off. New salespeople – or even the old salesperson under new management – basically signifies that we've lost all that we built for so long. Salespeople have worked on it for ages, but a new director steps in, cuts the strings and puts an end to such fraternizing. This is about **business**, which means that the old business is forgotten and we*

*start looking for alternatives. That's how you hinder trust. (Managing Director8BO)*

In sum, the importance of trust (cf. Doney & Cannon, 1997; Dwyer et al. 1987; Grönroos 1994; Morgan & Hunt, 1994) provides that salespeople have the ability to build trust through keeping promises and demonstrating accountability. Trust was identified as a precondition for long-term customer relationships (cf. Dwyer et al. 1987; Morgan & Hunt, 1994) and, according to the interviews, is principally constituted on minor, mundane matters, recognizing the customer's special needs and smooth aftersales. Meanwhile, the interviewees indicate that Finnish salespeople take their promises in earnest. In addition, it has been suggested that the buyer's trust in the salesperson is the only variable that reduces the customer's perception of available alternatives (Friend et al. 2011).

Customer relationship maintenance essentially entails ensuring customer satisfaction and, at best, sparks mutual successes. In order to sustain customer relationships, regular contact (e.g. Crosby et al. 1990) – annual, biannual, quarterly or monthly, depending on the extent and nature of business – is necessary. Salespeople are expected to communicate actively, particularly if deviations from delivery times, or other agreements, occur. Follow-up communication, also regarded as an indication of respect towards the customer, should be cohesive and concise, and enables salespeople to acquire information about the customer's situation : for instance, forthcoming projects. Salespeople must also be ready to share information with the customer (e.g. Crosby et al. 1990). However, the interviewees suggest that contact should always include an exchange of information. This finding is supported by Challagalla, Venkatesh and Kohli (2009), who found that customers should be contacted only when the salesperson can provide customer-perceived value in the course of the follow-up conversation.

Conflict situations, meanwhile, should be resolved in accordance with the hopes vested in selling in general – by open communication, customer understanding and presenting solutions. This solution-oriented approach is peculiar especially of Finns, the interviewees suggest. Biong and Selnes (1995) suggest that conflicts should be solved before they manifest themselves, and that the similarity of the buyer and seller facilitates the solving of disagreements. According to Gonzales, Hoffman, Ingram and LaForge (2010), through maintaining a positive recovery culture, through analyzing service failures, through implementing recovery strategies and tactics, and through monitoring, evaluating and looking for feedback on the solving efforts of the complaint, sales organizations are more likely to generate customer satisfaction and retention and increased sales volumes. Gonzales et al. (2005) suggest that failure analysis and recovery efforts are



important components of relationship selling. It has also been suggested that sales organizations that emphasize salespeople's service behaviors, proactive after-sales service and proactive service recovery management are in a position to capture competitive advantage in relationship-selling situations (Ahearne et al. 2007; Challagalla et al. 2009).

The study revealed the risk factors related to the organizational changes of the salesforce or sales management. This resonates with the findings by Palmatier, Scheer and Steenkamp (2007), who found that salesperson or buyer changes might lead to the loss of relational capacity. 'Salesperson-owned loyalty' might exceed 'firm-owned loyalty', while person-to-person relationships often have more durable effects than person-to-firm relationships.

### ***Salespeople's proactivity in the development phase***

'Salespeople's proactivity in the development phase' is a set of knowledge and skills to secure the continuation and widening of the relationship with the customer. The following specific themes were identified:

*Ability to increase the share of the customer's business.* Great salespeople see the window of opportunity to offer more profitable and high-quality products or, for example, expanding sales volumes through selling the entire line of associated products or products not directly associated with the initial product. In addition to listening, great salespeople, thus, must observe future selling opportunities during customer visits. Salespeople should also monitor the evolution of the customer's strategies and take advantage of the sales opportunities stemming from expansion to new industries.

*I bet it deepens as new products are introduced. That's what we're after with our regular suppliers. And of course when we explore new business areas, like we're doing right now. (Material Manager28BO)*

Salespeople must establish trust, and develop both quality and services while ensuring that all functions and actions, including pricing, are transparent. Therefore, salespeople require long-term plans of action and annual review meetings in order to develop the business, whereby the role of salesperson metamorphoses from a traditional salesperson into a developer.

*At best, we have annual business review meetings, where quality and delivery reliability, and the demand outlook are reviewed. Genuine interest in quality and delivery reliability is one of the qualities of great salespeople. Salespeople shouldn't think that someone else will take care of those. True, they are often someone else's responsibilities, but salespeople should also be interested. (Supply Chain Manager25BO)*

*Ability to suggest improvements to the customer's product and processes.* Excellent salespeople are persevering, and actively suggest improvements to

the products and processes of customers. Salespeople are encouraged to display initiative with their development ideas and product development solutions, but must be able to justify their proposals and illustrate the arising quantitative benefits numerically.

*Then there is this one thing that should not go unnoticed: great salespeople and salesperson companies also strive to develop the customer's products and processes by suggesting how to streamline them. And by that, I mean they are active. How much capital is invested in the chain? That's something that's often forgotten, and this is an area where great salespeople can give a lot, can make proposals: How can we trim lead-times by one week? That's a huge saving, right there. (Project Advicer4BO)*

In sum, it is only possible to begin developing the customer relationship once it has stabilized. Essentially, developing entails taking advantage of further sales opportunities through upselling and cross-selling. Bonney and Williams (2009) suggest that salesperson opportunity recognition (SOR) contributes significantly to sales performance in the solution-selling context. This resonates also with the finding above.

#### 4.5.2 *Relationship competencies in the context of the procurement orientation*

##### ***Ability to recognize the rationale for the initiation of the relationship***

In relation to the 'ability to recognize the rationale for the initiation of the relationship', the following specific themes were identified: *Ability to understand challenges linked to supplier changes, value-based justification for the initiation of the relationship, and ability to show the supplier's capability and desire for the long-term cooperation.*

*Ability to show the supplier's capability and desire for the long-term cooperation.* Compared to the buying oriented buyers, the procurement oriented buyers emphasized the ability to foster in particular the long-term cooperation while the ability to understand challenges linked to supplier changes and value-based justification for the initiation of the relationship remained the same.

Changes necessarily entail risks and costs, and require an extensive learning period. From the point of view of established suppliers, the high threshold is naturally good news: these suppliers are likely to remain as suppliers provided they – and particularly their salespeople – ensure customer satisfaction and secure the competitiveness of the price and the product quality. The role of salespeople is substantial in handling daily affairs and developing the

customer relationship, and hence – if handled successfully – in preventing the termination of the customer relationship.

The risks and consequent switching costs associated with supplier change were identified as the most significant obstacles and disincentives to supplier change. Similarly, the current supplier's competence in a particular special field imposes restrictions on supplier change.

*There is no point in going for the cheapest alternative. The relationship must be based on co-operation. And then, also, salespeople must have a desire to co-operate, to build a solid footing for co-operation from the get-go. Starting co-operation with a company is complicated enough as it is – there are always snags. Both sides must be willing to learn. (Material Manager29PO)*

*Because the type approvals have been obtained, if we change a component, it also requires changes in the designs. That's why we can't change just like that. (Purchasing Manager14PO)*

### ***Relationship skills in the initiation phase***

Relating to 'relationship skills in the initiation phase' the following specific themes were identified: *Ability to show a desire to investing in understanding the customer's business and requirements and salesperson's activity.*

*Ability to show a desire to investing in understanding the customer's business and requirements.* In order to gain access to companies and to initiate new customer relationships, salespeople must familiarize themselves with the business of the customer and strive to kindle interest during the initial contact phase. Argumentation skills are key in presenting one's products and company in a convincing manner. In international procurements, commercial aspects are highlighted. Consequently, salespeople must also be able to operate in an environment which places particular emphasis on such aspects.

*We want to focus our purchases, we want to initiate relationships only on the durable and long-term basis, we need the supplier to focus on its aftermarket functions. There must be a continuum. If we start to discuss with a supplier candidate, we speak about a big picture instead of one product and need. (Material Manager30PO)*

*Gaining access and closing the sale must be the most difficult phases, because they hinge on your argumentation skills. When comparing international buyers, it's obvious that you emphasise the commercial side; it's all commercial rather than technical. But in Finland, every single guy in sourcing is an engineer. (Regional Manager5PO)*

In sum, as long as co-operation with the current suppliers bears fruit, the priority of buyers, generally, is not to search for new suppliers. Similarly, certain industry-specific bonds between companies may discourage supplier

change. Thus salespeople must utilize all their competence areas in initiating new customer relationships. Due to the strategic nature of the decision and due to the costs associated with the suppliers switching process, the customer avoids changing from one source of supplier to another; additional costs are related to adapting processes, communications, ways of doing things and adaptation to new personnel (Faes & Matthyssens 2009).

After a successful initiation, salespeople's activity in entrenching the customer relationship is a prerequisite to establishing a long-term customer relationship, which, in turn, requires continuous monitoring and handling of operational issues. Both parties of the customer relationship must, however, recognize that the early phases of the relationship typically are a learning process for both companies, and in the initiation phase, there is a need for a stronger personal interaction and service support (Eggert, Ulaga & Schultz 2006). Due to customer losses on the one hand and supplier growth efforts on the other hand, the responsibility for a new customer acquisition is a vital competence area for salespeople. However, relationships are initiated by the buyers only if they encompass the potential for generating customer value and long-term co-operation.

#### ***Ability to build trust through actions***

In relation to the 'ability to build trust through actions', the following specific themes were identified: *Keeping promises* and *salesperson's accountability*. In comparing the competencies of the procurement oriented buyers with the competencies of the buying oriented buyers, they were found to be the same.

#### ***Ensuring customer satisfaction in the maintenance phase***

In relation to 'ensuring customer satisfaction in the maintenance phase', the following specific themes were identified: *Ability to take care of the fulfilment of the daily tasks*, *ability to keep contact on buyers' terms* and *ability to solve conflicts related to deliveries and service*.

*Ability to take care of the fulfilment of the daily tasks* is one of the most important issues associated with customer relationship maintenance, and it is considered also as the essential added value factor for the customer. Procurement oriented buyers appreciate, in particular, that daily business with suppliers is running fluently without extra effort from the buyer's side.

*A key issue is making sure the stuff is here on time, because the selling process continues from closing the deal to delivery and billing. Today, nobody wants to have huge stocks, and therefore delivery times are more and more important. (Material Manager30PO)*

Other elements of customer satisfaction include the availability of buffer and consignment stocks, after-sales, for example, ensuring spare part

deliveries, product line deliveries and training services. Moreover, salespeople are expected to display service inclination and skills – that is, salespeople should be not merely active, but also proactive and anticipatory.

*[...] and to have some actual guarantees in the long run and take care of what you have promised. That's something that's emerged again in recent years. With the massive amount of information available and the complexity of the world, I really appreciate it when things work and I don't have to concern myself with them anymore. The value of that has increased. To be able to trust that this guy will take care of it, I can put it out of my mind and the product comes as promised – that's value. (Vice President18PO)*

Investment-like procurements, in particular, require that salespeople monitor deliveries and provide advice in issues that may emerge in deployment. Forgetting the customer after the sale was regarded as unprofessional. Follow-up was characterized as a window into the world of customers, offering a great learning opportunity to the salesperson.

*[A great salesperson] says that he wants to be on the spot when the delivery arrives. In best cases, he comes with assembling jigs and drawings and familiarizes himself with deployment. (Material Manager30PO)*

*Ability to keep contact on buyers' terms* means regular but not too frequent contact. It should always include information sharing, and the frequency should be aligned with the extent and nature of the business.

*I appreciate the fact that Finns are not too aggressive. Obviously, not communicating for six or twelve months is a long time, but if you contact once a month for no apparent reason, that's a bit too much for me. (Director, GlobalSourcing27PO)*

Discussions on communication also indicate that buyers, due to their hectic pace of work, require that issues can be handled also outside regular working hours. In particular, salespeople must be available inside and outside of office hours to address the concerns of customers, who are involved in different manufacturing shifts. Accessibility of a contact person managing the status of the order was regarded as necessary for securing the material flow to production.

*That's something I truly value, because our suppliers are all over Europe and my day doesn't end at four pm – I work around the clock. I never even thought of it like that. It's the same if you have production in two shifts. If there are questions, I deal with them. But then, I must be able to get a hold of our suppliers, who sometimes reply and sometimes don't. But I truly appreciate it if I can get a hold*

*of them also after four. Although I'm not saying that after ten years of this jumble, it wouldn't be nice to go home and leave your mobile on the desk at four. (Material Manager30PO)*

*If someone asks you for a delivery time quote and you fail to take care of it; or if someone inquires on the availability of a product, and you fail to reply, trust deteriorates. But you can promote trust by being flexible and showing your dedication. (Purchaser19PO)*

A number of interviewees recognized that e-mails, smartphones and other electronic devices generate time savings for customers and reduce the need for face-to-face meetings. Two interviewees especially – who represent the younger generation of buyers but, nevertheless, have over ten years' experience in purchasing – even questioned the significance of personal sales visits.

*Modern technology has advanced to the point that I don't think it's necessary to make personal visits, not like before anyways. I don't necessarily need salespeople to schedule a meeting and show up just to conjure a piece of paper from their briefcases. That's a waste of everyone's time. (Material Manager30PO)*

### ***Ability to nurture the customer relationship***

In relation to the 'ability to nurture the customer relationship', the following specific themes were identified: *Ability to build relationships with the long-term perspective and ability to build person-to-person relationships.*

*Ability to build person-to-person relationships.* Most interviewees stated the inter-personal nature of business. Quite often, salespeople are the only communication gateway to their company. Great salespeople can entice enthusiasm in buyers, create a positive image of the company and can even salvage the supplier relationship in the short term. For example, positive actions by salespeople may encourage customers to overlook a few mistakes or shortcomings. Elsewhere, the significance of salespeople is emphasized by the fact that personnel changes often exposes the shortcomings of the operations of suppliers.

Ability to build person-to-person relationships is a prerequisite for successful business relationships. Elsewhere, the interviewees identified ice hockey games, golf rounds, factory visits and product fairs as other effective means of staying in contact with customers to foster person-to-person relationships. Interviewees stressed also building person-to-person relationships within the buying team in an appropriate way.

*Some salespeople do symbolize the customer relationship, as they are our communication channel to their company. Often the information we get from the salesperson is all we have of the company. In partnerships, we often do also bring other people to meetings, and*

*have get-togethers. But daily dealings go through the salesperson; he's our contact person. (Vice President18PO)*

*But if you have a situation where the company is performing well, but co-operation with the salesperson isn't working – that's unacceptable. To get in contact on a daily basis with someone who never bothers with a reply, there's no point in continuing that. (Material Manager29PO)*

*Even if the company might not be the best there is in terms of performance, but co-operation with the salesperson goes smoothly, that may be enough to overlook a few shortcomings. You can see that when salespeople change. If co-operation with the new salesperson is nowhere near as smooth as it was with the previous one and you have to make constant inquiries, then you no longer filter out the small defects in the company, but start looking for a new supplier. Daily co-operation is really important, and enough to overlook a few shortcomings. (Material Manager29PO)*

On the other hand, a few interviewees highlighted that customer relationships are mainly realized at the inter-company level. Similarly, the strategies of both companies were approximated to affect customer relationships more pronouncedly than salespeople. In contrast, the role of salespeople was sometimes deemed excessively dominant – a situation buyers generally wish to avoid.

*It's definitely the company. Salespeople are our first contacts and negotiation partners in price or contract negotiations – initiators and negotiators. We try to get in contact with a number of people in the company, and also like to see their product development contact us. In that sense, the company is very concrete, but good salespeople coordinate and take the relationship in a positive direction. Sometimes we may not want to deal with a particular salesperson, because he insists on holding all the strings. (Regional Manager5PO)*

In sum, the ability to nurture the customer relationship includes, instead of single transactions, the significance of building a long-term customer relationships and person-to-person relationships. Salespeople symbolize customer relationships, and great salespeople have the ability to establish confidential customer relationships and present satisfying solutions to the problems of customers. The role of salespeople is particularly crucial in relationship maintenance, and therefore it is vital for salespeople to establish co-operative working customer relationships. This resonates with Brock and Zhou (2012) who stress the importance of customer intimacy associated with a very close and valuable relationship with a supplier. Wathne et al. (2001) found that interpersonal relationships serve as a switching barrier between

customers and suppliers. Relationship selling behaviors are also strongly related to the use of problem-solving selling, adaptive selling and customer oriented selling (Bayaa et al. 2009).

***Salespeople's proactivity in the development phase***

In relation to 'Salespeople's proactivity in the development phase', the following specific themes were identified: *Understanding changes in customer's purchasing strategy, the ability to suggest improvements to the customer's products and processes, the ability to increase the share of the customer's business and the ability to build partnerships.*

*Understanding changes in customer's purchasing strategy.* The procurement oriented buyers also underlined the importance of understanding changes shaping the customer's purchasing policy. The tendency is towards reducing the number of suppliers, streamlining the production and, thus, possibly outsourcing more manufacturing to suppliers, and creating sub-contracting and system supplier networks. These changes may offer sales opportunities to the current suppliers or, in the worst case, may lead to lost business.

*We have consolidated [our supplier network] and thus become a bigger customer and got better service. (Material Manager29PO)*

*More and more salespeople should think about how to change their product into a complete solution (Purchasing Manager16PO)*

*We have grown dramatically and passed the importers. The salesperson must tell me why I accept an additional factor in the chain. (Material Manager30PO)*

*Ability to build partnerships.* The endeavors of salespeople are vital in becoming a strategic partner. Salespeople must set the mutual goals for the co-operation with the customer.

*Essentially we look for partners. And once we've got our partner, it's more about developing together. There's very little need for the salesperson to hang around any longer. (Regional Manager5PO)*

*You should also be perceptive. It's good to walk around production because you can see what materials we're using. Then, you can come up with some ideas, 'Oh, this is what you use – we happen to have something very similar'. That's the biggest thing, the ability to see. (Purchaser9PO)*

Becoming a strategic supplier or partner often denotes that a component supplier becomes a supplier of systems or solutions, and thereby assumes responsibility over more comprehensive deliveries. As customer relationships develop, customers are likely to concentrate their purchases with a reliable



supplier, and thus reduce the number of suppliers, rationalize operations and improve their negotiating position. Hence, the roles of the people in charge on both sides may be re-defined, whereas communication channels are expanded both horizontally and vertically.

*They bring more from their organizations into the discussion, more levels, to make the exchange of information more diverse, not just between the buyer and the salesperson. I would also encourage the financial staff there to directly get in contact with our finances. Naturally, if it's a strategic supplier, our director of operations or some other executive gets in contact with their executives at some point. The other way to expand it is to think about the offering as a whole, not simply in terms of selling one component or product. What do you have to offer, and how could you expand from a component to some kind of solution. (Director, Global Sourcing27PO)*

In sum, deepening the relationship in general and towards a partnership requires confidentiality, investments, ideas, product improvements, innovations and mutual development efforts. During long-term customer relationships, salespeople are expected to readily make suggestions for improvements in order to genuinely realize added-value factors. In particular, problem solving, consultative selling and solution selling modes facilitate partnering efforts. The role of the personnel who manage the relationship is pivotal for the development of the relationship (Narayandas & Rangan 2004).

Corporate support in developing customer relationships is naturally also crucial to the success of the collaborative projects. By succeeding, the supplier will be incorporated more fundamentally into the value chain of the customer. Salespeople, in turn, are expected to analyze the customer relationship, initiate improvements and changes and develop the relationship in general. The role of salespeople, hence, evidently evolves and incorporates novel skill requirements.

#### *4.5.3 Relationship competencies in the context of the supply management orientation*

##### ***Ability to recognize the rationale for the initiation of the relationship***

In relation to the 'ability to recognize the rationale for the initiation of the relationship', the following specific themes were recognized: *Ability to understand challenges linked to supplier changes, value-based justification for the initiation of the relationship and ability to show the supplier's capability and desire to the long-term cooperation.*

Relating to *ability to understand challenges linked to supplier changes* the company strategy and the purchasing strategy of the supplier are decisive in supplier selection, and deviations from them must be justified soundly. In addition, buyers typically evaluate whether the policies of the companies concerned are compatible and whether the companies are congenial in general. The impact of the salesperson is eliminated.

*I do meet with salespeople from new suppliers. We go through things and I may let them offer something, but if they don't fit into our strategies it's probable that it doesn't result in anything, no matter how good a salesperson. (Sourcing Manager13SMO)*

*With this we try to eliminate interpersonal communication from decision-making. Category managers are responsible for their own respective strategies and selected preference partners. If you deviate from this, you must be able to provide a good reason. (Sourcing Manager13SMO)*

In sum, deviating from the buying and procurement orientations the strategic fit between the supplier and the customer is the key issue when arguing for the initiation of a relationship to supply management buyers.

'Relationship skills in the initiation phase', consisting of *the salesperson's activity and ability to show a desire to investing in understanding the customer's business and requirements*, which were found in the buying and procurement orientations, did not emerge from the data of the supply management oriented buyers. Supply management buyers approach the selection of a new supplier totally as a firm-level capability and issue.

#### ***Ability to build trust through actions***

In relation to the 'ability to build trust through actions', the following specific themes were identified: *Keeping promises*, and *salesperson's accountability*. These skills demanded by the supply management oriented buyers do not differ from the skills demanded by procurement oriented and buying oriented buyers.

#### ***Ensuring customer satisfaction in the maintenance phase***

In relation to 'ensuring customer satisfaction in the maintenance phase', the following specific themes were identified: *Ability to take care of the fulfilment of daily tasks*, *ability to keep contact on buyers' terms* and *ability to solve conflicts related to deliveries and service*.

Relating to *ability to take care of the fulfilment of daily tasks*, the supply management oriented buyers also underlined the importance of the smoothly running daily business in the same way as the procurement oriented buyers.

*How should I put it in more detail, some sort of customer service. That's a big issue. And I'm not talking about customer service only in the conventional sense, but getting things up and running. If we have to get things rolling, great, devoted salespeople take care of it, let us know when it's finished and how to proceed. (Sourcing Manager13SMO)*

### ***Ability to nurture the customer relationship***

In relation to the 'ability to nurture the customer relationship', the following specific themes were identified: *Ability to build relationships in the long-term perspective and ability to build person-to-person relationships.*

*Ability to build person-to-person relationships* differs mostly from the other orientations. The person-to-person relationships are important but the supply management buyers stress the role of the company in the business relationships. The salesperson and their traits do not have any decisive impact on business.

*In some cases the business relationships depends on the person. I guess it is more between companies. (Managing Director12SMO)*

*The salesperson has a role, although the company has a decisive role. (Sourcing Manager13SMO)*

In sum, regardless of the important role of salespeople in customer relationship maintenance in the supply management orientation, large and global organizations with sourcing functions are inclined to downplay the significance of all factors associated with inter-personal relationships by constantly re-assigning buyer responsibilities. Salespeople may not, therefore, always know the other negotiating side, which transposes customer relationship management from the level of the individual to inter-executive or inter-company levels, thus complicating it. The desire to augment customer relationships remains despite the desire to limit inter-personal attachments; thus the supply management oriented buyers prefer inter-company relationships.

### ***Salespeople's proactivity in the development phase***

In relation to 'salespeople's proactivity in the development phase', the following specific themes were identified: *Understanding changes in the customer's purchasing strategy, the ability to suggest improvements to the customer's product and processes, the ability to increase the share of the customer's business and the ability to build partnerships.*

In relation to *understanding changes in the customer's purchasing strategy*, supply management oriented buyers emphasized that in the longer term, they attempt to consolidate the number of all suppliers, including partners, in order to improve productivity and negotiating power through greater purchasing

volumes. This leads to deepening cooperation with a smaller number of suppliers. Active salespeople may thus get a bigger share of the customer's business.

*In the three-to-five-to-six years' perspective we reduce the number of suppliers. Then we are better able to be in contact with them, and then we are able to be more important to that supplier. (Sourcing Manager13SMO)*

In relation to the *ability to suggest improvements to the customer's product and processes*, product and process development is conducted in cooperation with a few main suppliers.

*As for hydraulics, there are a couple of big partners with whom we conduct and develop new applications (Sourcing Manager13SMO)*

All other knowledge and skills were equivalent with procurement buyers'.

In sum, due to the consolidation of the supplier network, proactiveness may lead to the realization of sales opportunities (SOR) (cf. Bonney & Williams 2009). In the worst case, the relationship may be ended.

Table 17 summarizes the results related to the salesperson's relationship competencies valued by the buyers. All buyers, regardless of the purchasing orientation, value the 'ability to build trust through actions' in the same way. All other major competencies differ to some extent by the buyers.

Table 17 Specific and major knowledge and skills belonging to the relationship competence area by purchasing orientations

<i>Specific knowledge and skills</i>	<i>Comparison of specific knowledge and skills between</i>			<i>Major knowledge and skills</i>
	<i>BO</i>	<i>PO</i>	<i>SMO</i>	
Ability to understand challenges linked to supplier changes Value-based justification of the initiation of the relationship Ability to show the suppliers' capability and desire to engage in long-term cooperation	●	●	●●●	Ability to recognize the rationale for the initiation of the relationship
	●	●	●	
	●	●●●	●	
Ability to show a desire to investing in understanding the customer's business and requirements Salesperson's activity	●	●	○	Relationship skills in the initiation phase
	●	●	○	
Keeping promises Salesperson's accountability	●	●	●	Ability to build trust through actions
	●	●	●	
Ability to take care of the fulfilment of the daily tasks Ability to keep contact on buyers' terms Ability to solve conflicts related to deliveries and service	●	●●	●●	Ensuring customer satisfaction in the maintenance phase
	●	●●	●	
	●	●	●	
Ability to build relationships in the long-term perspective Ability to build person-to-person relationships	●	●	●	Ability to nurture the customer relationship
	●	●●	●●●	
Understanding changes in the customer's purchasing strategy Ability to suggest improvements to the customer's product and processes Ability to increase the share of the customer's business Ability to build partnerships	○	●●●	●●●	Salesperson's proactivity in the development phase
	●	●	●●	
	●	●	●	
	○	●●●	●●●	

Recognizing each customer's purchasing orientation facilitates the salesperson in taking into consideration the relationship competencies required in initiating and continuing the relationship with the customer.

#### 4.6 Summary of findings

This study revealed the versatile, dynamic and contextual nature of selling competencies. In the technology firms, the principal roles of salespeople encompass product expertise, the bidirectional exchange and processing of information, customer relationship maintenance and the configuration of

solutions. Salespeople pronouncedly symbolize relationships with customers by being their (sole) contact person in supplier organizations. The following dynamics and future trends in the purchasing environment with direct or indirect ramifications in the operations of salespeople and suppliers were emphasized by the interviewees: reducing the number of suppliers, increasing the transfer to system supplies and integrated solutions, the cost pressures stemming from low-cost countries and productivity pressures in general, continuous changes, importance of logistics, environmental and ethical issues, market unpredictability and increasing demands for the suppliers in general.

#### *4.6.1 Major competencies and their definitions*

Table 18 summarizes the major knowledge and skills and their definitions in the analysis chapter. They are grouped into four selling competence areas originating from the framework. When abstracting and building specific knowledge and skills into major knowledge and skills, I have combined common features found in the data as a buyer's experiences to increase the theoretical significance of the constructs (cf. Spiggle 1994). In addition, I present new knowledge emerged in the study relating to knowledge and skills from buyers' perspective.

Table 18 Summary of major knowledge and skills and their definitions and new knowledge to them from buyers' perspective

<i>Selling competencies</i>	<i>Major knowledge and skills</i>	<i>Definition of major knowledge and skills</i>	<i>New knowledge emerged</i>
<b>Knowledge-related competencies</b>	<p>1. <b>Product expertise</b> (Rentz et al. 2002; Rosenzweig &amp; Roth 2007; Zallocco et al. 2009)</p> <p>2. <b>Knowledge brokering</b> (Jones et al. 2005; Plouffe &amp; Barclay 2007; Rapp et al. 2014; Sengupta et al. 2000; Steward et al. 2010; Verbeke et al. 2011)</p> <p>3. <b>Knowledge of customer's business</b> (Manning et al. 2012; Rentz et al. 2002; Weitz et al. 2009)</p>	<p>A set of technical knowledge and skills to secure a technical solution to the customer's problems and challenges and to disseminate technical information with the customer.</p> <p>A set of knowledge and skills to secure the availability of product knowledge and the customer's access to it.</p> <p>Understanding customer's businesses in general and what is valuable to customers.</p>	<p>Discrete handling of knowledge related to the competitors' product. The significance of technical and product knowledge.</p> <p>Through dissemination of the knowledge the salesperson becomes a resource to the customer.</p>
	<p>4. <b>Knowledge of customer's purchasing procedures</b> (Rentz et al. 2002)</p>	<p>Understanding customer's purchasing procedures and adapting to them.</p>	<p>Salespeople are expected to have a general understanding of the strategy and industry of customers, although a more profound understanding is unnecessary.</p> <p>Understanding the customer's purchasing orientation facilitates cooperation between the buyer and salesperson.</p> <p>Compliance with the customer's purchasing hierarchy is demanded by buyers.</p> <p>Understanding the customer's business and purchasing policy improves customer orientation. The shift to matrix organizations has prolonged and confounded the customer's decision-making to be taken into consideration by salespeople.</p>
	<p>5. <b>Understanding logistics issues</b> (Crosby et al. 1990; Garver &amp; Mentzer 2000)</p>	<p>Knowledge of logistic matters to ensure customer satisfaction with the delivery accuracy.</p>	<p>Buyers expect that salespeople master also logistics issues.</p>

<b>Salesmanship competencies</b>	<b>6. Understanding customer requirements</b> (Boles et al. 1996; Isaacs 2001; Rackham & DeVincentis 1999; Saxe & Weitz 1982)	A set of skills to identify and to reach mutual understanding of what the customer's needs and problems are.	Need assessment is an integral part of presenting solution in the form of dialogue instead of a separate, sequential phase. The way of need assessment is situational instead of any standard method.
	<b>7. Ability to create a customized solution</b> (Bonney & Williams 2009; Eades 2004; Evanschitzky et al. 2011; Storbacka et al. 2011; Tuli et al. 2007; Ujaga & Loveland 2014)	A set of knowledge and skills to configure a solution to satisfy customers both technically and economically.	Buyers interpret 'solution' broadly encompassing just a component or product or service or integrated solution.
	<b>8. Sales presentation skills</b> (Reid et al. 1997; Storbacka 2011; Terho et al. 2012)	A set of skills to secure understanding of the sales message and to convince the buyer of the solution and the company.	The substance of the presentation is more important than the way of presentation or routine Power-Point shows. To convince a buyer requires recognizing customer value, employing facts and summarizing the sales message.
	<b>9. Price-setting skills</b> (Dutta et al. 2003; Frenzen et al. 2010; Hansen et al. 2008; Sharma & Iyer 2011; Karjalainen & Salmi 2013)	A set of skills to facilitate customers' cost competitiveness.	Managing all parts of the price setting is one of the salesperson's fundamental skills.
	<b>10. Adaptability to the negotiation style of the buyer</b> (Biong & Selnes 1995; Jelinek 2014)	A set of skills to achieve a negotiation result that satisfies both parties.	Flexibility, readiness to compromise, diplomacy, rationality and ability to make decisions are crucial negotiation skills for salespeople.
	<b>11. Closing skills</b> (Manning et al. 2012; Moncrief & Marshall 2005; Weitz et al. 2009)	A set of skills needed to successfully close the sale.	In B2B context buyers prefer sharing correct and timely information to objection handling.
	<b>12. Communication skills</b> (Anderson & Narus 1990; Boorum et al. 1998; Castleberry & Shepherd 1993; Ingram et al. 1992; Marshall et al. 2003; Olkkonen et al. 2000; Rentz et al. 2002; Williams & Attaway 2003)	A set of skills to secure formal and informal sharing of meaningful and timely information compellingly.	Buyers evaluate the performance of salespeople on the basis of their concrete actions and accomplishments, instead of visible and fluent communication practices. The role of body language is small.
	<b>Interpersonal competencies</b>		



	<p><b>13. Effective interaction with buyers</b> (Andersen &amp; Kumar 2006; Cheverton &amp; van der Velde 2011; Dampérat &amp; Jolibert 2009; Dietvorst et al. 2009; Franke &amp; Park 2006; Keltikangas-Järvinen 2010; Manning et al. 2012; McFarland et al. 2006; Porter et al. 2003; Román &amp; Iacobucci 2010; Spiro &amp; Weitz 1990; Sujjan et al. 1994; Ulaga &amp; Loveland 2014; Weitz et al. 1986; Withey &amp; Panitz 1995; Williams &amp; Spiro 1985)</p>	<p>A set of skills to enable getting along with customers on a daily basis, treating customers with dignity and respect, behaving appropriately in given situations and demonstrating initiative during the buyer-seller interaction.</p>	<p>Unexpected changes during the interaction stir anxiety among buyers and may prove a disincentive to establishing trust. Buyers prefer a salesperson who keeps to the personality. Buyers prefer salespeople's social skills to their sociability. Lack of activity is associated with Finnish salespeople in general having a negative impact on the sales performance. Salespeople are made according to buyers, not born, and require continuous professional development.</p>
<p><b>Relationship competencies</b></p>	<p><b>14. Ability to recognize the rationale for the initiation of the relationship</b> (Blocker et al. 2012; Eggert et al. 2006; Faes &amp; Matthyssens 2009)</p> <p><b>15. Relationship skills in the initiation phase</b> (Biong &amp; Selnes 1995; Boles et al. 1996; Frankwick et al. 2001; Gonzales et al. 2005; Jolson 1997; Moncrief &amp; Marshall 2005; Weitz &amp; Bradford 1999)</p>	<p>A set of knowledge and skills to secure gaining sustainable access to a new customer.</p> <p>A set of knowledge and skills actively showing the desire for the new relationship.</p>	<p>Recognizing the customer's value sources is significant in the initiation phase. Changes of management and/or salespeople cause risk for the continuation of the relationship. The salesperson's activity in entrenching the customer relationship is a pre-requisite to establishing a long-term customer relationship.</p>

	<p>16. <b>Ability to build trust through actions</b> (Doney &amp; Cannon 1997; Dwyer et al. 1987; Friend et al. 2011; Grönroos 1994; Liu &amp; Leach 2001; Morgan &amp; Hunt 1994)</p> <p>17. <b>Ensuring customer satisfaction in the maintenance phase</b> (Ahearne et al. 2007; Challagalla et al. 2009; Crosby et al. 1990; Dampérat &amp; Jolibert 2009; Gonzales et al. 2010)</p> <p>18. <b>Ability to nurture the customer relationship</b> (Brock &amp; Zhou 2012; Crosby et al. 1990; Doney et al. 2007; Narayandas &amp; Rangan 2004; Palmatier et al. 2007; Wathne et al. 2001)</p> <p>19. <b>Salespeople's proactivity in the development phase</b> (Bonney &amp; Williams 2009; Blocker et al. 2011)</p>	<p>A set of skills to show reliability in the relationship through keeping promises and being accountable.</p> <p>A set of skills to secure daily cooperation fulfilling customers' expectations.</p> <p>A set of skills to secure the continuation of the business relationships in the long term.</p> <p>A set of knowledge and skills to secure the continuation and widening of the relationship with the customer.</p>	<p>Trust emerges through salespersons' actions and activities.</p> <p>Securing smoothly running daily business is a value expected from the salesperson.</p> <p>Salespeople symbolizing customer relationships due to inter-personal nature of business require an ability to build person-to-person relationships with buyers.</p> <p>Salespeople are expected to readily make suggestions for improvements in order to genuinely realize added-value factors. Understanding changes shaping the customer's purchasing policy. Buyers expect that salespeople possess an ability to increase the share of the customer's business.</p>
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When comparing the results of this study to the three-component selling skill model by Rentz et al. (2002), the main difference is the fourth dimension, 'relationship competencies'. In this study, I examine them separately due to their importance, according to the interviewees' input. The interpersonal and salesmanship skills of the three-component selling skill model cover relational skills to a limited extent only. The major knowledge and skills related to relationship competencies in the different phases of the relationship are totally new compared to the three-component selling skill model.

Based on the findings of the study, I divide interpersonal skills into communication and interaction skills. Communication skills underscore information sharing while interaction skills focus on getting along with customers on a daily basis. The subcomponents of interpersonal skills by Rentz et al. (2002) emphasize nonverbal and verbal communication skills.

The major knowledge and skills related to salesmanship competencies emphasize the importance of understanding customer requirements, the ability to create a customized solution, price-setting skills and negotiation skills, which are not present in the three-component model. As for sales presentation skills, my study underscores the ability to quantify the customer value (cf. Anderson et al. 2009; Anderson & Narus 1998; Geiger et al. 2012; Homburg et al. 2005; Kaario et al. 2004; Terho et al. 2012). Closing skills are equally important in my study and in the three-component model.

The major knowledge and skills related to the knowledge competencies and technical knowledge of the three-component model emphasizes customer and product knowledge and, thus, they are equivalent. However, my study underscores knowledge brokering and dissemination of technical information.

#### *4.6.2 Salesperson's competency model*

A competency model of selling competencies was constructed showing specific knowledge and skills, major knowledge and skills and selling competencies. The study identified a total of 52 different specific knowledge and skills, relevant for a competent salesperson from the buyer's viewpoint, representing the buying or procurement or supply management orientation. In addition, it summarizes the differences and similarities between specific knowledge and skills by purchasing orientations and identifies the generic and contextual knowledge and skills. A total of 19 categories, labelled as major knowledge and skills, were developed and these major knowledge and skills were organized into four selling competence areas in Table 19.

Table 19 Salesperson's competency model and the comparison between purchasing orientations

<i>Specific knowledge and skills</i>	<i>Comparison of specific knowledge and skills between orientations</i> BO PO SMO	<i>Generic/contextual specific knowledge and skills</i>	<i>Major knowledge and skills</i>	<i>Selling competencies</i>
Technical expertise	● ● ●	contextual	Product expertise	Knowledge-related competencies
Product knowledge	● ● ● ○	generic		
Ability to provide consultancy	○ ● ● ● ●	contextual	Knowledge brokering	
Managing technical fundamentals	● ● ● ● ●	generic		
Ability to provide intra-organizational resources of the seller firm	● ● ● ● ●	generic		
Understanding customer's industry and company	● ● ● ● ●	contextual	Knowledge of customer's business	
Understanding customer's business model	● ● ● ● ●	generic		
Understanding customer's purchasing policy	● ● ● ● ● ● ● ●	contextual	Knowledge of customer's purchasing procedures	
Ability to align with the customer's purchasing hierarchy	● ● ● ● ●	contextual		
Logistics expertise	○ ● ● ● ● ○	contextual	Understanding logistics issues.	
Recognizing customer needs	● ● ● ● ● ● ● ●	contextual	Understanding customer requirements	Salesmanship competencies
Ability to engage in dialogue	● ● ● ● ● ● ● ●	generic		
Ability to suggest a solution	● ● ● ● ● ● ● ●	generic	Ability to create a customized solution	
Ability to suggest an integrated solution	○ ● ● ● ● ● ● ●	contextual	Sales presentation skills	
Ability to recognize customer value	● ● ● ● ● ● ● ●	contextual		
Fact-based presentation	● ● ● ● ● ● ● ●	generic		
Ability to summarize the sales message	● ● ● ● ● ● ● ●	generic		

Understanding the meaning of the price for the customer	•	••••	••••	contextual	Price setting skills	
Ability to set the price on the appropriate level	•	•	•	generic		
Ability to work out the price changes	•	•	•	generic		
Ability to negotiate the price	•	•	•	generic		
Ability to sense the buyer's negotiations practices and to adapt to them	•	•	•	generic	Adaptability to the negotiation style of the buyer.	
Ability to be flexible in negotiations	•	•	•	generic		
Contractual skills	•	•	•	generic	Closing skills	
Aligning with the customer's decision-making process	•	•	•	generic		
Ability to make decisions	•	•	•	generic		
Sharing correct and timely information with the customer	•	•	•	generic		
Effective listening	•	•	•	generic	Communication skills	Interpersonal competencies
Fact and task orientation	•	•	•	generic		
Ability to convince	•	•	•	generic		
Ability to share information	•	•	•	generic		
Social skills	•	•	•	generic	Effective interaction with buyers	
Adaptation skills	•	••	•	contextual		
Professional development skills	•	•	•	generic		
Initiative	•	•	•	generic		
Avoiding hard selling	•	•	•	generic		
Ability to understand challenges linked to supplier changes	•	•	••••	contextual	Ability to recognize the rationale for the initiation of the relationship.	Relationship competencies
Value-based justification for the initiation of the relationship	•	•	•	generic		
Ability to show supplier's capability and desire to engage in long-term cooperation	•	••••	•	contextual		

Ability to show a desire to investing in understanding the customer's business and requirements	● ● ○	contextual	Relationship skills in the initiation phase	
Salesperson's activity	● ● ○	contextual	Ability to build trust through actions Ensuring customer satisfaction in the maintenance phase	
Keeping promises	● ● ●	generic		
Salesperson's accountability	● ● ●	generic		
Ability to take care of the fulfilment of daily tasks	● ● ● ●	contextual		
Ability to keep contact on buyers' terms	● ● ●	contextual		
Ability to solve conflicts related to deliveries and service	● ● ●	generic		
Ability to build relationships in the long-term perspective	● ● ●	generic	Ability to nurture the customer relationship	
Ability to build person-to-person relationships	● ● ● ●	contextual		
Understanding changes in the customer's purchasing strategy	○ ● ● ● ● ●	contextual	Salespeople's proactivity in the development phase	
Ability to suggest improvements to the customer's product and processes	● ● ● ●	contextual		
Ability to increase the share of the customer's business	● ● ● ●	generic		
Ability to build partnerships	○ ● ● ● ● ●	contextual		

Abbreviations and symbols of the table are as follows:

BO = Buying orientation, PO = Procurement orientation, SMO = Supply management orientation;

●=similar to BO, ●●= nuance difference, ●●●= essential difference, ○=no evidence.

A total of thirty-one competencies (60%) are generic and twenty-one are contextual competencies (40%). Generic competencies are mainly located in the following categories – the price setting, negotiating, communication and interaction skills – while contextual competencies are mostly located in the following categories – knowledge brokering, creating customized solutions and relationship competencies.

Based on the analysis of the data by purchasing orientation, buyers value different types of salespeople as follows: (1) buying oriented buyers value salespeople, who are ‘action oriented experts, however at a bit of an arm’s length’, (2) procurement oriented buyers value salespeople who are ‘experts deeply dedicated to the customer and fostering the relationship’, and (3) supply management oriented buyers value salespeople who are ‘corporate-oriented experts’.

#### *4.6.3 Relations between customers’ relational and purchasing orientations and selling approaches*

All interviewees underscored the importance of long-term relationships with suppliers, a high threshold for changing a supplier and a willingness to increase business with the current supplier. This means that customers are relationship oriented (RO) or are practicing supplier oriented purchasing (SOP) and focusing on interpersonal and relationship oriented dimensions of purchasing (Humphreys et al. 2009; Palmatier et al. 2008). In addition, they employ one or several purchasing orientations towards suppliers (cf. Anderson et al. 2009). Through selling competencies and through selling approaches – customer oriented, adaptive, relationship, problem-solving, consultative, solution, and value selling – salespeople can meet these orientations. Figure 10 illustrates the relations of orientations and selling approaches.

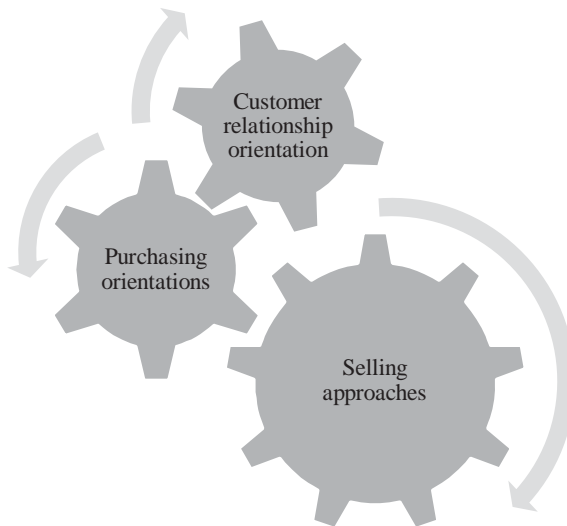


Figure 10 Relations between customers' relationship and purchasing orientations and selling approaches

Firstly, all selling approaches are associated with relational behaviors boosting long-term relationships and value creation in case of all purchasing orientations. Long-term relationships erode the use of a transactional selling approach even in the buying orientation connection, although from the value creation viewpoint, the focus largely is on the cost elements of the value (cf. Rackham & DeVincentis 1999, 16). Transactional selling approach does not support procurement and supply management approaches either. There is only a marginal use for the pure transactional selling approach within the material supply context.

Secondly, problem-solving and consultative, solution and value selling can also be associated with salesmanship competencies. Instead of the traditional product presentation approach, the aforementioned approaches serve today's customers' demands based on solutions and value creation (cf. Evanschitzky et al. 2011; Liu & Leach 2001, Moncrief & Marshall 2005; Rackham & DeVincentis 1999; Reilly 2010; Storbacka 2011; Storbacka et al. 2009; Storbacka et al. 2011; Terho et al. 2012; Tuli et al. 2007; Ulaga 2003; Ulaga & Eggert 2006; Ulaga & Loveland 2014). When looking for an appropriate selling model for each selling situation, there seldom exists only one applicable model. A combination of various models has to be employed by the salesperson. In general, problem-solving orientation is suitable to buying, procurement, and supply management orientations. As for the procurement orientation, the developing of closer relationships and cooperation between the



buyer and customer is preferred. Besides the consultative selling model, the solution selling and value selling models are applicable models for procurement buyers. The consultative selling approach, focusing on achieving strategic goals of customers (see Ingram et al. 2009, 31), and value selling approach, contributing to customer process innovations (see Kaario et al. 2004, 18–19), are the most applicable approaches when the customer has adopted supply management orientation as the main purchasing orientation (cf. Miocevic & Crnjak-Karanovic 2012).

## 5 DISCUSSION

In this concluding chapter, the theoretical contribution of the thesis and some filling in of the research gaps are explained, the managerial implications of the research are addressed and the trustworthiness of the study is evaluated. Finally, the limitations of the study are reflected on and avenues for further research are suggested. The purpose of the study was formulated as follows: *to increase understanding of the professional salesperson's selling competencies from the industrial purchasing decision-makers' viewpoint.*

### 5.1 Theoretical contribution of the study

The study has examined salespeople's selling competencies from the buyers' perspective. It has extended the understanding of contemporary selling skills from the competence perspective and from the contingency perspective, that is, aligning salespeople's selling competencies with customers' purchasing orientations. Table 20 summarizes the contribution of the study.

Table 20 Summary of the contribution and filling the research gaps

<b><i>Research gaps of the study</i></b>	<b><i>Contribution of the study</i></b>
There is a need to update the selling competencies to meet today's requirements.	The study provides a deep and rich understanding of selling competencies in the contemporary, relational B2B setting.
Buyers' viewpoints on selling competencies have largely been neglected, while the greater part of the body of knowledge is based on research conducted among salespeople.	The study increases contextual understanding of selling competencies focusing on buyers' perspectives. As far as the researcher knows, the study is the first one of its kind to focus on the impact of purchasing orientations on selling competence requirements.
There is a need to know by which competencies business relationships should ideally be initiated, maintained and developed.	The study expands the knowledge on key relationship selling competencies by considering them in different phases of the relationship.

I will now scrutinize the theoretical contribution, based on the findings of the study in more detail.

*First, the study provides a deep and rich understanding of selling competencies in the contemporary, relational B2B setting.* I have integrated the traditional three-component model of selling skills (Rentz et al. 2002) and relationship selling skills (Biong & Selnes 1995; Crosby et al. 1990, Weitz & Bradford 1999) as a selling competency model. Thus, the study helps the progress of establishing and adopting a competence approach in the sales management literature. The existing selling literature has preferred the selling skill concept instead of the selling competence concept neglecting selling behaviors after the points of sale. Specific sales meetings (e.g. ‘the seven steps of selling’) have been a dominant unit of analysis (cf. Plouffe et al. 2013). In this study, I have defined competencies *as a group of related knowledge and skills* (cf. Palmatier et al. 2008; Spencer & Spencer 1993). In general, the competence concept in management literature established its position over the last 30 years but only occasionally in connection with the selling literature. Selling consists of a substantial number of competencies and provides the sales management with the ability to be able to put the right emphasis and make selections as to salespeople’s competencies. In sum, I have changed the predominant skills approach into a competence approach in selling.

The study updates the content of current selling skills and widens and deepens the three-component model, thus adding knowledge to the personal selling and sales management and relationship selling literature. The greatest widening of the three-component model are relationship approach, consultative selling and value creation aspects, which are not explicitly present in the current model. The salesmanship skills of the model follow the logic of ‘the seven step of selling’, while today’s buyers expect relational, long-term and solution selling orientations. However, both relationship selling skills and traditional selling skills are required to successfully manage business relationships (e.g. Plouffe et al. 2009).

The prior research has stressed the importance of knowledge (cf. Arnett & Badrinarayanan 2005; Verbeke et al. 2011). Knowledge is the foundation on which salespeople can develop their selling competencies. In addition, the salesperson’s knowledge is the primary value source to the buyer. Product expertise and knowledge brokering are required by the buyers. However, they are as valuable as the ability of the salesperson to link them to a solution for the buyer (Reid et al. 1997). A salesperson’s expertise is manifested through the solutions they provide to a customer. The higher the level of perceived expertise from the customer, the higher the perceived level of value added (Liu & Leach 2001). To be perceived as an expert by the customer, the salesperson has to possess accurate, relevant and special knowledge. In

addition, my study stresses the importance of knowledge of customer's business and purchasing procedures.

Based on the findings of the study, salesmanship skills consisting of presenting solutions, price setting skills and negotiations skills constitute central competence areas for salespeople. Salesmanship skills are applied in connection with the selling process. Presenting the solution provides a clear and fact-based communication of value added to the customer while avoiding overblown marketing shows. The substance of the presented solution is the key, not the presentation itself or how it is delivered (cf. Reid et al. 1997). Besides price setting skills, the salesperson requires necessary decision-making authority from their company to successfully conduct price negotiations (cf. Bonney & Williams; Frenzen et al., 2010). Especially when market-related uncertainty is high and when salespeople have better customer-related information than their managers', the positive impact of price delegation on the performance is clear. In addition, companies' improved information systems enable salespeople to make decisions more independently than before. Finnish technology industry companies are competing in the global markets, providing powerful price competitiveness. The buyers meet these costs and price pressures, leading to a price focus regardless of the stage of the relationship and buyers' purchasing orientations.

The traditional 'seven steps of selling' has lost its power to relationship, problem-solving, consultative and solution selling approaches (cf. Bonney & Williams 2009; Dixon & Tanner 2012; Moncrief & Marshall 2005; Sheth & Sharma 2008; Storbacka et al. 2009; Tuli et al. 2007). The buyer is not following the salesperson's selling process but their own agenda (cf. Hughes 2010, 246; Viio 2011). From the buyer's point of view, the salesperson's selling process is hardly recognized in its basic and rigid form. Buyers concentrate chiefly on solutions, the price and negotiations. This finding is supported by Viio (2011, 124–125, 201, 203), who found in his study that the buyer was not interested in the salesperson's sales process, but the buyer was very interested in the supplier's development, testing and delivery processes. At a minimum, an adaptation of the selling process to the buyer's processes is a prerequisite (Viio & Grönroos 2014), and the process requires a more relational approach (Moncrief & Marshall 2005). However, the selling process as a guiding map to the salesperson during the selling cycle (Eades 2004) is still an essential selling technique. It thus facilitates salespeople's ability to be convincing, which is also appreciated by buyers. In addition, its role as a sales training tool for basic selling skills is well defensible.

In the prior research, the value of interpersonal skills and the role of interpersonal communication in the interaction process have been well accepted (cf. Borg & Johnson 2013; Olkkonen et al. 2000; Rentz et al. 2002).

Interacting successfully with customers requires both communication skills and interaction skills, but on customers' terms. The findings of the study suggest a straightforward and clear communication while the quality of interaction is manifested through salespeople's actions. A customer's perception of the quality of the interaction with a salesperson and a customer's perception of the power a salesperson possesses in the company, that is, how they get things done (Liu & Leach 2001), are the two factors that have an impact on how valued an expert a salesperson is viewed as. Finnish salespeople, in particular, are regarded as good listeners, reliable, honest, and solution oriented persons, although they lack initiative.

The prior research has found that adapting communication styles and customizing presentations to customers promotes personal chemistry, facilitates business relationships and has a positive impact on sales performance (cf. Franke & Park 2006; McFarland et al. 2006; Román & Iacobucci 2010; Saxe & Weitz 1982; Spiro & Weitz 1990; Weitz et al. 1986; Whitey & Panitz 1995; Williams & Spiro 1985). However, based on the findings of the study, abrupt changes of style cause anxiety in customers and may thereby hamper the establishing of trust. In addition, salespeople expressing their own personality are preferred. This finding is supported by Guenzi, De Luca and Spiro (2011), who point out that selling orientation, in combination with adaptive selling, has a negative influence on customer trust. The focus of the prior research has been on the extent to which salespeople change and adapt their behavior, not on the suitability of the adaptations (McFarland et al. 2006). In addition, Dion and Panting (2000) suggest that salespeople's presentations are not as adaptable to the buyers' needs as salespeople like to think.

*Second, the study increases contextual understanding of selling competencies focusing on buyers' perspectives. As far as the researcher knows, the study is the first one of its kind to focus on the impact of purchasing orientations on selling competence requirements.* It is the customer's view that is most probably the determining factor when making a purchase and a supplier decision (Cannon & Perreault 1999). The study suggests that buyers in general stress different selling competencies from salespeople. Based on the interview replies, I combined the buyers' perceptions on salespeople's major knowledge and skills with the success factors of salespeople, according to the views of sales managers (Marshall et al. 2003, 251), and with salespeople's (Wakefield 2009, 2-3) views on the salesperson's behavioral traits most associated with selling. Table 21 consists of ten traits in order of importance. The buyers represent the Finnish technology firms, the sales managers, several industries, and the salespeople, the residential real estate branch. The last two studies have been conducted in a US-based environment.

Table 21 Comparison of selling skills and traits according to the views of buyers, sales managers and salespeople (adapted from Marshall et al. 2003 and Wakefield 2009)

<b>Rank</b>	<b>Major knowledge and skills, summary of views of buying, procurement and supply management oriented buyers; n=30</b>	<b>Success factors of salespeople, sales managers; n=215</b>	<b>Behavioral traits most associate with selling, real estate salespeople; n=150</b>
1.	Product expertise	Listening skills	Very sure of self
2.	Ability to build trust through actions	Follow-up skills	Persuasive
3.	Ability to create a customized solution	Adaptation ability	Enjoy competition
4.	Ensuring customer satisfaction in the maintenance phase	Tenacity sticking with a task	Has a lot of energy and vigor
5.	Understanding customer requirements	Well-organized	Decisive
6.	Effective interaction with buyers	Verbal communication skills	A risk taker
7.	Knowledge of customer's business	Proficiency in interacting with people at all levels of a customer's organization	Self-confident
8.	Sales presentation skills	Ability to overcome objections	Convincing
9.	Price setting skills	Closing skills	Enjoys making a difference
10.	Ability to nurture the customer relationship	Planning and time management skills	Assertive

It is interesting to see how differently these three groups see selling skills and traits. The perceptions of buyers and selling people represent the two extremes. The buyers highlight the substance of selling work while selling people point to convincing and persuasive abilities and self-confidence (Wakefield 2009). For industrial sales managers, the 'importance ratings of success factors for professional salespeople' are in the middle and point to salesmanship, communication and interaction skills (Marshall et al. 2003). It must be noted that this comparison is based on a small sample size of buyers (n=30).<sup>22</sup> However, the buyers' preferences are clear. In general, a salesperson's self-confidence and decisiveness to a certain extent and a salesperson's

<sup>22</sup> In connection with qualitative research, the use of quantitative measures such as simple counting techniques can also be used when suitable (Silverman 2000, 185).

success factors according to the views of sales managers are positive skills and traits also from the buyers' point of view. However, a competent salesperson in the industrial buyer-seller relationship takes into consideration buyers' insights into selling competencies. All buyers in my study are task-oriented, pointing to a reliable and smooth running of the daily business. The information exchange strategy is the most suitable influencing strategy between the buyers and salespeople in the B2B context (cf. McFarland et al. 2006; Williams & Spiro 1985).

The prior literature has recognized purchasing orientations (Anderson et al. 2009; Dobler & Burt 1996), classified customer types (cf. Rackham & DeVincentis 1999; Svahn & Westerlund 2009) and addressed strategic purchasing practices (cf. Carr & Pearson 1999; Paulraj et al. 2006; Pressey et al. 2007) associating with the supply management approach. In addition, Humphreys et al. (2009) have scrutinized supplier oriented purchasing (SOP) in general. However, the prior research has not paid attention to the selling competencies from the viewpoint of the purchasing orientations. Different types of selling contexts may require different type of selling competencies, but until now, there have been hardly any empirical studies on the impact of contextual factors on selling (Cron et al. 2005; Plouffe, Sridharan & Barclay 2010). My study shows that firms may apply one or several purchasing orientations in parallel, regardless of the size, branch and type of the company. Based on the findings of the study, buying, procurement and supply management buyers stress different selling competencies or elements of competencies. In addition, the study shows which competencies are common to all orientations and which competencies are contextual.

*Third, the study expands the knowledge on relationship selling competencies by considering them in different phases of the relationship.* In spite of recent commoditization of products, increasing sourcing activities of buyers, digitalization and the increasing use of the Internet in information searching and logistics, the study enhances the well-documented importance of long-term relationships and person-to-person relationships with customers. Understanding the customer's buying behavior, especially the purchasing hierarchy, is a prerequisite for successful relationships. Customer knowledge facilitates initiating, maintaining and developing customer relationships. To a great extent, mutual trust is also based on relationship-specific knowledge (Ballantyne 2004). In the material supply context, the role of the buyer in decision-making seems to be strong while other members of the purchasing team, such as technicians, support the buyers and offer expertise to them to make purchasing decisions.

Besides adaptive, problem-solving, consultative, solution selling, and value selling, customer oriented selling can be conceptualized as relational selling

behaviors (cf. Borg & Johnston 2013; Chakrabarty et al. 2013; Guenzi et al. 2007). The original concept of the customer orientation (Saxe & Weitz 1982) focuses on the customer's needs and satisfaction. There is a lot of research which today questions or criticizes the customer orientation concept (cf. Franke & Park, 2006; Gillis et al. 1998; Homburg et al. 2011a; Jaramillo et al. 2007; Lamberg 2008; Schwepker 2003). Zablah et al. (2012) underscore that customer orientation at the individual level is a mindset or psychological phenomenon rather than a type of employee behavior. My study revealed also that buyers highlight different elements of the customer orientation from the original concept and scale. Changes in the selling environment, that is, the altered tasks of a salesperson, relational aspects and the customer's value creation requirements have caused the need to broaden the original concept of the customer orientation. There is a need to understand the customer more broadly, to understand the customer's purchasing policy and to have an ability to align with the customer's purchasing hierarchy.

The prior research has emphasized the importance of understanding customers' needs and business model, creating a value proposition and communicating it (cf. Anderson et al. 1992; Anderson et al. 2009; Anderson & Narus 1998; Terho et al. 2012). My study resonates with this. In particular, the buyers stress the quantification of an offer and the justifying of it in monetary terms (cf. Eades 2004). In addition, the buyers emphasized the importance of smoothly running daily operations, ease with cooperation and the key role of the contact person. This resonates with Palmatier's (2008) relational drivers of customer value: relationship quality, contact density and contact authority.

The prior research stresses the initiation, development and maintenance of long-term, mutually satisfying buyer-seller relationships (Frankwick et al. 2001; Gonzales et al. 2005; Jolson 1997; Moncrief & Marshall 2005; Weitz & Bradford 1999). It further underlines customer-orientation, trust building between the buyer and the seller, customer value creation and alignment of the offering with the customer's strategy (Schwepker 2003). In a relationship selling context, the task of the salesperson is to establish a relationship and to create a long-term commitment, that is, to conduct the customer through the different stages of the relationship development process (Biong & Selnes 1995). Through relational or relationship selling behaviors, salespeople manage and develop buyer-seller relationships (Crosby et al. 1990). To date, the prior research has paid little attention to how relationships are initiated, maintained and developed at the salesperson-buyers level. This study identifies the knowledge and skillset required in the different phases of the relationship and deepens the understanding of relationship competencies, thus adding knowledge to the relationship selling literature. This study shows that each phase of the buyer-seller relationship requires using and emphasizing different



relational selling skills. The initiation phase requires the ability to understand challenges linked to supplier changes. The initiation phase provides communicating and justifying value and activity from the salesperson, manifesting as communication, high contact intensity and disclosure of knowledge at the beginning of the relationship. The salesperson has a critical role, especially at the initiation phase and when building the relationship (cf. Boles et al. 1996). The maintenance phase requires regular communication intensity; however, customers decide the frequency 'not too often, or not too seldom' (cf. Dampérat & Jolibert 2009). Customer satisfaction can be achieved through keeping delivery promises and through after-sales services and conflict situations management. The development stage requires the salespeople to be proactive in making suggestions for the relationship improvements, that is, to enhance cooperative intentions between the buyer and seller. The salesperson's trust is the basic element of the relationship, and the perceived expertise of a salesperson leads to higher levels of the customer's trust with the salesperson and with the supplier (Liu & Leach 2001). Open information sharing as a result of a trustful environment created by salespeople facilitates understanding the customer's needs and value expectations (Blocker et al. 2012). Trust also increases customer satisfaction, commitment and loyalty (Doney & Cannon 1997; Liu & Leach 2001). Social behaviors, such as nurturing interpersonal relationships, open communications and customer orientation, seem to dominate the trust-building process (Doney, Barry & Abratt 2007). In addition, the salesperson symbolizes the relationship especially in buying and procurement orientations. Companies applying a supply management orientation prefer company relationships to personal relationships.

## 5.2 Managerial implications of the study

A number of managerial implications can be drawn from the literature review, the main results and the theoretical contributions of the study. The findings challenge sales management to perceive salespeople's selling knowledge and skills both from a contingency and competence perspective. In addition, sales management should take a more supporting role in salespeople's daily tasks, according to the buyers.

*First*, customer firms, regardless of the size, industry, ownership and the phase of the internationalization, may apply any of the three basic orientations as a main orientation and apply parallel orientations depending on the product category, supply and competition situation. Purchasing orientations are related to the customer's supplier portfolio management, which consists of all of a customer's relationships with a supplier. Relationships vary, take different

form, are managed differently and include risk management and optimizing returns (Wagner & Johnson 2004). Understanding the customers' purchasing orientations facilitates the sales management in the creation and successful implementation of the selling firm's sales strategy. The sales strategy as a multidimensional construct encompasses customer segmentation based on buying behavior, lifetime value and customer profitability, customer prioritization/targeting, developing relationship objectives and deploying different selling models, and the use of multiple sales channels (Panagopoulos & Avlonits 2010).

*Second*, understanding of buyers' purchasing orientations and buyers' ways of categorizing suppliers in product categories requires support from the sales management to the salespeople. Salespeople are left alone according to the buyers. In general, the selling organization's support to salespeople in serving the customer is under-researched (Evans et al. 2012).

*Third*, this study brings forth the dynamicity and complexity of salespeople's selling competencies. It provides for the adopting of a competence philosophy in daily sales management and leadership. In other words, sales managers should evaluate and select the critical competencies each salesperson requires to successfully manage each customer relationship and then develop these. It offers a tool to the sales management to recruit and develop the sales force.

*Fourth*, the research emphasizes the salesperson's central role as an initiator, maintainer and developer of the business relationship. A salesperson can even salvage the relationships if the company has failed to meet the customer's expectations. Sales management should note the relational aspect when planning and implementing their performance evaluation criteria. In general, this research highlights the importance of sales management providing support to the salesperson in managing business relationships (Beverland 2001; Dubinsky, Chonko, Jones, & Roberts 2003). Also, sales managers and senior managers should possess relationship skills to assist the selling process and to make it more effective (Borg & Young 2014).

*Fifth*, related to the other selling approaches, the consultative, solution and value selling approaches have an important role with B2B customers, softening the application of the traditional seven steps of the selling model. The buyer commands the buying process and set the pace to be followed by a salesperson. Salespeople require support and authority from the sales management to conduct price negotiations, while the ability to negotiate the price has also been shown in most cases to have a positive effect on company performance. Instead of objection handling as a selling technique, customers prefer information sharing in the B2B context.

*Sixth*, related to interpersonal skills, adaptive selling behavior facilitates the relationship but too visible adaptive selling behavior may lose the customer's trust. Supporting salespeople to keep their personality is recommended. Owing to the continuous requirements for knowledge sharing and expertise, the salesperson's professional development has to be nourished.

*Seventh*, because of the need to outsource the logistic responsibilities from the suppliers to the logistic firms, the salesperson's logistic knowledge is limited. In addition, material stock levels have been minimized by customers, easily leading to shortages in production in case of disturbances. The buyers appreciate salespeople who manage the logistic issues. Thus, salesperson's logistic knowledge needs to be developed.

Table 22 summarizes the managerial implications.

Table 22 Summary of the managerial implications of the study

<i>Source of implication</i>	<i>Implications for sales management</i>
Salesperson's central role in the relationship as initiator, maintainer, developer	For the sales management to take in consideration salespeople's day-to-day management, rewarding systems, target settings, performance evaluation, recruiting and training. A firm's support to the salesperson.
Salesmanship skills and sales process	Emphasizing and prioritizing understanding and solving customer problems, negotiation skills. Redefining the concept of objection handling to responding to customer's questions. Supporting salesperson's price setting skills and authority. Pointing out flexibility in sales process implementation.
Interpersonal skills	Prioritizing efficiency and problem solving orientation in all tasks, pointing out listening skills and activity to a certain extent in making contact. A new insight from the buyer's perspective to take into consideration when practicing adaptive selling: importance of personality, avoiding disturbing change of behavior. Strengthening salesperson's learning orientation.
Understanding logistics issues	Adding logistic knowledge to a salesperson's tool kit.
Buyer behavior	Supporting salespeople in understanding different customers' purchasing orientations. Respecting customers' purchasing hierarchy, and adapting to buying process. Increasing demands for salespeople's professionalism owing to buyers' increased professionalism, adoption of supply chain management and sourcing practices in purchasing.

### 5.3 Trustworthiness of the study

The trustworthiness of the qualitative research is evaluated by terms such as credibility, transferability, dependability and confirmability (Denzin & Lincoln 2000, 21). Miles and Huberman (1994, 277–280) suggest applying five methods for evaluating the robustness of qualitative research: confirmability, dependability/auditability, credibility/authenticity, transferability/fittingness, and utilization/application/action orientation. They propose also practical questions to each issue for the researcher's self-evaluation purpose. In this study, a self-evaluation process is an important quality assurance tool also. The evaluation of the whole process has been summarized by applying credibility, transferability, dependability and confirmability as quality determinants that are widely used in connection with qualitative studies.

Credibility, dependability and confirmability provide the fulfilling of the following criteria (Carson et al. 2001, 67): (1) Careful use, interpretation, examination and assessment of appropriate literature throughout the whole study process, (2) careful justification of the qualitative research methodologies used in the study and (3) careful structuring of data analysis. Through combining the evaluating criteria of Gummesson (2000, 186–187) and Carson et al. (2001, 68), self-evaluation criteria for assessing the study process have been created. Table 23 illustrates the self-evaluation conducted by the researcher.

Table 23 Self-evaluation of study process (adjusted from Carson et al. 2001, 68; Gummesson 2000, 186–187)

<i>Evaluation criteria</i>	<i>Self-evaluation</i>
Interviewing in the respondent's own surroundings	Interviews took place in the respondent's company, in his or her office, with one interview in a home office.
Using purposive sampling because of interviewees' relevance	Companies were purposively chosen, key informant strategy for interviewee selection.
Depth and intimacy of interviewing	Face-to-face, lasting 1–2 hours, pre-prepared themes, probing questioning, open and positive atmosphere.
Asking questions designed to find exceptions to a rule	Probing questions were posed to find out in-depth understanding including exceptional behavior of salespeople.
Maintaining memos of what was done and thought throughout the research process	Notebook was kept at general level, analytical memos were systematically written during the coding and data-analyzing stage.
Theory triangulation	Use of different theoretical approaches to look at the phenomenon (cf. Silverman 2000, 177).
Triangulation of data from different interviewees, from different methods of collection and analysis	Use of 30 different companies, industries, respondents representing different decision-making levels.
Asking respondents to comment on interpretations	Regarding purchasing orientations, the respondents were asked to verify the orientation(s) they apply.
Presenting the findings to respondents in a focus-group meeting and asking for feedback	Respondent validation does not mean the validation of the research but is only another source of data or insight (Silverman 2000, 177). For this reason, it was not undertaken.
Readers able to follow the research process; transferability	Original expressions shown in connection of analysis and interpretations in research result chapter, research process described in detail.
Researchers presenting their paradigm and pre-understanding	Choice of applied theories and concepts has been justified, pre-understanding of the researcher described.
Credibility of research process	Correct data through recording and word-by-word transcription of interviews, professional respondents, analysis and interpretations derived from data, alternative or contradictory data openly discussed, findings and conclusions matched by prior theories and literature, selection of theories and methods appropriate to the problem, purpose and research questions justified.

Researcher's adequate access to gathering data, to interviewing	Researcher's pre-understanding facilitated access to gathering relevant data from the respondents.
Transferability	The research results are transferable into the similar context, i.e. the technology firms in Northern Europe. The findings were related to the wider international industry context through abduction to allow for a greater transferability to industrial selling in general, but in low context countries.
Contributions	The research increases the body of knowledge and it is of value to managers and to the technology industry.
Dynamism	The researcher's continuous learning through the whole study process, readiness to change the research design, creativity and openness to new information and interpretations.
Changes during the research process	Giving up the CIT techniques as data collecting techniques; emphasizing value creation, solution and relationship during the second interview round, adding customer's purchasing orientations into the theory during the third interview round.
Personal qualities of the researcher	A deep commitment due to the researcher's wide involvement in selling.

### **Credibility**

Instead of internal validity in quantitative research, credibility is applied for evaluating it. Credibility can be increased through ensuring the authenticity and transparency of all stages of the study process (Hirsjärvi et al. 2009, 232). The interview context, including time, places and duration, has been described in the research report. Self-evaluation of the interviews was documented separately after each interview beyond the word-by-word transcription. In qualitative research, formation of categories is essential (Hirsjärvi et al. 2009, 232). The coding and categorizing process has been described in detail in the methodology chapter. Interview themes (Appendix 4) and example of interview questions and conversation (Appendix 5) increase the transparency of the research process. The analysis and interpretations of results are supported by the inclusion of the original transcript extracts of the interviewees. Regarding the credibility or the validity of the study, Gummesson (2000, 93) emphasizes that the correct application of the theory, models and concepts describe reality. When selecting and reviewing prior studies, I put a lot of effort into focusing

on studies conducted in industrial setting, not retail or consumer settings. In addition, Denzin (1978)<sup>23</sup> points to data triangulation as an important part of the research process. Data triangulation consists of using a variety of data sources, and theory triangulation consists of using several perspectives to interpret the data. To support triangulation, a variety of theories have been applied. Data sources include different types of companies, and respondents at several hierarchical levels inside the technology industry have been used in this study. In addition, the study process and results have been made public for comments and criticism through presentations of the research.

### **Transferability**

The main target of the qualitative research is to get meaning and in-depth understanding of the phenomenon being studied. Quantitative methods enable generalizations but achieving in-depth understanding with them is difficult. The results of qualitative research are context based. Qualitative research may provide new insights into the prior theory or build new theories that may be tested for generalisability at a later stage. (Carson et al. 2001, 69.) However, generalizations can also take the form of concepts, theories, specific implications and rich insights (Walsham 2006, 69). This study has been conducted in the technology firms in Finland, and the context of Northern European technology firms can be regarded as encompassing the Finnish technology firms. The sample of the study covers several branches, company sizes and ownership types. The findings are transferable to the northern technology firms as such. Sales jobs vary between industries and they are generally regarded as industry specific (Rentz et al. 2002). However, through referring to prior literature during the each step of the study, the researcher found evidence that the thesis' analyses stand also for other areas beyond the data being examined in the study (Alasuutari 2011, 245). In all probability, the abduction of the results with prior literature and studies conducted among several industrial branches enables the transferability of the results of this study to the industrial-selling context in general (cf. also Beverland & Lockshin 2003). However, due to the differences of buying and selling practices between low and high context countries, the transferability of these study results concerns western low context countries only, excluding business cultures like those in Arabia, China, India, Japan, Russia and South America.

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<sup>23</sup> Janesick, V. (2000, 391). Original source, Denzin, N. (1978) *The research act: A theoretical introduction to sociological methods*, McGraw-Hill: New York.

**Dependability**

The dependability of qualitative research refers to reliability, meaning that the results of the study can be replicated by other researchers (Gummesson 2000, 91; Hirsjärvi et al. 2009, 231). The nature of the qualitative study process, i.e. deep interaction between the researcher and the respondent and moving back and forth between empirical data and theory, do not enable assessing the research quality through reliability. Lincoln and Guba (1985) point out that the researcher should explain all changes and movement in the research setting and in the research context in order to increase the dependability. This notion has been taken into consideration through the transparency of the research process in all its stages. The respondents' expertise and frankness and their straight and honest communication habits increase the dependability of the study. On the other hand, the researcher's pre-understanding of the topic contributed to the dependable narration.

**Confirmability**

The objectivity and the emotionally neutral approach of the researcher is an essential part of the positivist research tradition while the researcher in the interpretivist research process is part of the research instrument (Carson et al. 2000, 139). Due to the interaction between the respondent and the researcher in qualitative research, neutrality instead of objectivity is applied as a criterion. The determination of the interviewees was very firm, and the researcher could not influence their responses. The state of being determined became visible when the researcher tried to pose leading questions in order to provoke discussion. The determination of the respondents thus increases the confirmability of the study. Gummesson (2000, 187) emphasizes the importance of the researcher's access to methods and techniques and the researcher's personal qualifications to ensure the study process goes smoothly. The researcher had access to the companies included in the sample, and the researcher also managed to get abundant interview information from the respondents. A systematic coding and analysing process and the writing of analytical memos during the analysis and coding process increased the confirmability and auditability of the study.

**Replying to research questions**

The research gaps of the study (subchapter 1.2) were utilized as a source for creating the research questions. Table 24 summarizes the means how I replied to the research questions.



Table 24     Replying to research questions

<i>Research questions</i>	<i>Replying to research questions</i>
<b>RQ1</b> What are the key selling competencies from the perspective of the buyer?	Selling competencies in terms of sales-related knowledge and skills were defined from the buyers' viewpoint. The existing knowledge and skills were completed and updated. Buyers stress knowledge and selling skills differently from salespeople.
<b>RQ2</b> What are the key relational competencies from the perspective of the buyer?	Relational competencies were defined and knowledge and skills associated with each phase of the relationship described.
<b>RQ3</b> Do the salesperson's selling competencies manifest themselves differently according to the buyers' purchasing orientation?	Competencies in terms of sales-related knowledge and skills were identified and defined from each purchasing orientation's viewpoint. Both 'contextual', that is orientation related, and 'generic' knowledge and skills were recognized.

The table shows that all three research questions were addressed, and the study provides replies to them.

#### 5.4     Limitations of the study and avenues for future research

The study provides new insights into areas that have been seemingly under-researched. However, this research has basic limitations that will be outlined. In general, without customers, there are no business transactions and for this reason, researching buyers' insights into selling competencies is well justified. However, it is one side's view only. The best way to research selling competencies is to combine the exploring of both the salesperson and the buyer in the relationship. However, in real life and as part of the same research, this may be quite difficult. In this study, the seller's side is explored through previous literature on salespeople's selling competencies, thus offsetting the lack of the seller in the buyer-seller dyad. One of the limitations is the sample consisting of only one representative of each firm, not the whole buying team. Although they are key informants and undisputable experts in their position, including other members of the buying team, at a minimum, technical people, in the sample would have been justifiable. A second limitation revolves around the context of the country of origin of the respondents when the research focus is only on one country. In spite of the fact that many of the companies in the research are international and operating

internationally, the data cover the purchasing decision-makers' views of one country only. However, the salespeople in the study represent several countries and nationalities. As a whole, the number of respondents was sufficient and saturation was reached. When the research proceeded and the data was divided into three orientations, the data encompassing supply management orientation were based on five interviews, while the share of buying orientation was eleven interviews and the share of procurement orientation, fourteen interviews. However, in spite of the smaller number of supply management orientations, saturation was reached also in this group. The third limitation is the breadth of the research and the number of theories and concepts. The depth of the research may suffer to some extent from adopting a holistic approach. However, I believe that the whole is more than the sum of its parts (Patton 1988, 17).

The study revealed several aspects relating to selling competencies. Each aspect poses new, interesting and important research topics. Future research should also be targeted to resolve the limitations of the present study. I suggest the following avenues for future research: developing and empirically testing a reliable and valid scale for purchasing orientations; researching selling competencies from the buying team perspective; broadening and redefining the customer orientation scale; empirical validation to quantify the proposed findings of selling competencies, knowledge and skills.

The views of the interviewees on cultural differences diverged: on the one hand, the buyers emphasized that all cultures produce well and poorly-behaved salespeople. Goal congruence is more important than the differences in cultural background and expectations (cf. Voldnes, Grønhaug & Nilssen 2012). On the other hand, interviewees also readily identified a number of good and bad qualities of salespeople from various cultures. Based on this I suggest as research topics, how the selling competencies of a Finnish salesperson are perceived by foreign buyers in main export countries and looking at how the relationship at the salesperson-buyer level should be built into different business cultures.

Value issues emerged in the buyers talks during the interviews. Buyers viewed the value pragmatically as goods, solutions and services, as deliveries of the product, as after-market operations and through relationships (cf. Lindgreen, Hingley, Grant & Morgan 2012; Reilly 2010; Ulaga 2003; Ulaga & Eggert 2006). Value creation research and lively discussions continue among academics and practitioners, especially at the firm level, while the role of salesperson in value creation is indefinite (Haas et al. 2012). Finally, based on this I suggest to research also the role of the salesperson in value creation from the customer's perspective.



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## APPENDIX 1

### SELECTED SELLER-SIDE ARTICLES ON SELLING COMPETENCIES FROM 1991–2011

<i>Authors, year</i>	<i>Name of the study, methodology</i>	<i>Main research findings</i>
Verbeke et al. (2011)	Drivers of sales performance. A contemporary meta-analysis. Have salespeople become knowledge brokers? A review, a multivariate causal analysis.	The study synthesizes empirical evidence from 1982–2008. Selling related knowledge, degree of adaptiveness, role ambiguity, cognitive aptitude and work engagement of a salesperson demonstrated significant relationships with sales performance.
Deeter-Schmelz & Ramsey (2010)	A psychometric assessment of the Lennox and Wolfe self-monitoring scale in the sales force. Quantitative, sample: sales managers.	Due to turbulent changes in business environment, salespeople must adapt to changes. The cognitive ability to adapt one's own behavior in response to the behavior of others is called self-monitoring. Unacceptable behaviors, including poor reactions to customer's questions and actions, may result in lost sales. Relationship between self-monitoring and job performance was supported partially, and further investigations are needed to investigate whether the problem lies with the scale or the concept of self-monitoring in a selling context.
Pettijohn et al. (2010)	How do US and UK salespeople compare on the dimensions of emotional intelligence, positive and negative affect, and customer orientation levels? Quantitative, sample: Salespeople.	Emotional intelligence is a relatively stable construct and not affected by cultural factors. UK salespeople were significantly less customer-oriented and selling-oriented compared to US salespeople.
Lambe, Webb & Ishida (2009)	Self-managing selling teams and team performance: The complementary roles of empowerment and control. Quantitative, sample: salespeople.	Salespeople require team-related leadership, planning, goal setting and conflict management skills.
Reday, Marshall &	An interdisciplinary approach to assessing	Due to increasingly technology-intensive business environment,

Parasuraman (2009)	the characteristics and sales potential of modern salespeople. Quantitative, sample: sales managers.	salespeople require not only the typical selling skills of persuasion and tact and interpersonal skills, but also the technical skills associated with technology transfer. Constructs: traditional salesperson (TS), opinion leader (OL), technology linker (TL).
Wachner et al. (2009)	SOCO's impact on individual sales performance: The integration of selling skills as a missing link. Quantitative, sample: salespeople.	Salesperson must have both a customer orientation and the requisite selling skills. If a salesperson has low selling skills, they perform better by applying a pure sales orientation rather than a customer orientation (Selling skills: salesmanship skills, interpersonal skills, technical knowledge).
Zallocco et al. (2009)	A re-examination of B2B sales performance. Qualitative, sample: sales managers, salespeople.	According to the typology of this study, salesperson's competencies consist of: technical knowledge, presentation skills, communication skills, listening skills, supervisory skills and teamwork skills.
Guenzi et al. (2007)	Relational selling strategy and key account managers' relational behaviors: An exploratory study. Quantitative, sample: key account managers.	Conceptual framework of relational selling: customer oriented selling, adaptive selling, sportsmanship, civic virtue, conscientiousness, altruism and team selling. The adoption of relational selling strategy is associated with customer-oriented selling, adaptive selling and team selling. Potential discrepancies can exist between a relational selling strategy and its implementation at the key account manager level.
Kidwell, et al. (2007)	Perceiving emotions in the buyer-seller interchange: The moderated impact on performance. Quantitative, sample: Salespeople and sales managers.	Findings suggest that the salesperson's ability to assess the emotions of others moderated the practice of adaptive selling and customer-oriented selling on performance. High perceiving ability has beneficial effects on selling. Low perceiving ability both reduces the use of customer-oriented selling and has a negative effect on selling.

Rosenzweig & Roth (2007)	B2B salesperson competence: Construct development and measurement using a supply chain strategy lens. Quantitative, sample: supply chain or e-business managers.	The conceptual domain of B2B salesperson competence (SC) consists of seven theoretically important dimensions: (1) technical skills, (2) change disposition, (3) conflict management, (4) market acuity, (5) coordinated logistics, (6) knowledge channels, and (7) fluid partnering. Skills 1–3 are people related ones.
Andersen & Kumar (2006)	Emotions, trust and relationship development in business relationships: A conceptual model for buyer-seller dyads.	Personal relations play an important role in B2B marketing. The role of emotions is articulated and a model and propositions highlighting the impact of emotions on interpersonal relationships are developed.
Johlke (2006)	Sales presentations skills and salesperson job performance. Quantitative, sample: salespeople.	Salesperson's experience underlies all the sales presentations skills (active listening, adaptation, objection handling and closing, negotiating and prospecting). Training is associated with adaptive selling and prospecting. All the sales presentation skills are positively correlated with job performance, but the salesperson's ability to close sales and ability to properly engage in relational, adaptive behaviors were found to be significantly related to improved performance.
Manna & Smith (2004)	Exploring the need for emotional intelligence and awareness among sales representatives. Quantitative, sample: salespeople.	Communication skills, negotiating skills, emotional intelligence (ability to inspire and motivate others), presentation skills, and the need to differentiate personality types were found to be very important to salespeople.
Marshall et al. (2003)	Hiring for success at the buyer-salesperson interface. Quantitative, sample: sales managers.	The top ten success factors in selling according to sales managers are: listening skills, follow-up skills, ability to adapt sales style from situation to situation, tenacity, organisational skills, verbal communication skills, proficiency in interacting with people at all levels within an organisation, demonstrated ability to overcome objections, closing skills, personal planning and time management skills.



Kairisto-Mertanen (2003)	Menestyvää myyjää etsimässä – tutkimus autojen myyntityöstä. Quantitative, sample: salespeople.	Salesperson's customer orientation and adaptive behavior to a salesperson's sales performance were studied. There was no connection between a salesperson's customer orientation and salesperson's performance. There was a positive connection between a salesperson's adaptive behavior and sales performance.
Ingram et al. (2002)	Selling in the new millennium. A joint agenda.	Customers are regarded as key assets to the company and salespeople are managing these assets. The following areas will be most crucial for future sales force and organisational success: developing effective sales strategies, providing sales force leadership and using technology productively.
Rentz et al. (2002)	A measure of Selling Skill: Scale Development and Validation. Quantitative, sample: salespeople.	A three-dimensional measure of selling skills was proposed and the validity was evaluated. Selling skills were classified as interpersonal and salesmanship skills and technical knowledge.
Beverland (2001)	Contextual Influences and the Adoption and Practice of Relationship Selling in a Business-to-business Setting: An Exploratory study. Case study, sample: salespeople.	The results highlight some changes occurring in sales practice: customers had high expectations of salespeople and the organisations. The relationships were more competitive and demanding. Customers required salespeople to act as a partner in their business.
Weitz & Bradford (1999)	Personal Selling and Sales Management: A Relationship Marketing Perspective. A review.	Changes in the traditional personal selling and sales management activities are needed due to the partnering role of salespeople. Instead of influencing buyer behavior, the focus should be on managing the conflict inherent in buyer-seller relationships.
Boorum et al. (1998)	Relational Communication Traits and Their Effect on Adaptiveness and Sales Performance. Quantitative, sample: Salespeople.	Findings suggest that salespeople being free from communication apprehension are more highly involved in communication interactions. Higher involvement facilitates increased adaptiveness and sales performance.

Simintiras & Thomas (1998)	Cross-cultural sales negotiations. A review.	Intra-cultural and inter-cultural sales negotiation literature suggests that culture has an important influence on sales negotiations. As for the interactive part of cross-cultural or inter-cultural sales negotiation, several key variables have been identified and examined: status distinction, impression formation accuracy, interpersonal attraction, information exchange, persuasion and bargaining strategy and concession making. High and low-context cultures and non-task related interaction and task-related interaction are taken into consideration.
Shepherd et al. (1997)	Linking effective listening with salesperson performance: an exploratory investigation. Quantitative, sample: salespeople.	Job satisfaction, sales performance and adaptive selling behavior are positively related to the possession of effective listening skills.
Verbeke (1997)	Individual differences in emotional contagion of salespersons: Its effect on performance and burnout. Quantitative, sample: Salespeople.	Being able to influence others and being sensitive to the emotions of others are assets for communication owing to their possible impact on sales performance. Findings suggest also that being sensitive to the emotions of others may lead to burnout and thus being also a liability.
Honeycutt, Ford & Kurtzman (1996)	Potential problems and solutions when hiring and training a worldwide sales team. A review.	Cultural understanding and sensitivity and in-depth knowledge of culture is an absolute necessity. From the salesperson's point of view, they should know the 'system' of working in a given market: how to make customer visits and what are the attitudes to business lunches and gifts, for example.
Sujan et al. (1994)	Learning Orientation, Working Smart, and Effective Selling. Quantitative, sample: salespeople.	Learning and performance goal orientations are related to working hard and smart. A learning goal orientation motivates working both smart and hard. A performance goal orientation motivates only working hard.
Wotruba (1991)	The Evolution of Personal Selling. A review.	Five stages in the evolution of selling are presented: provider, persuader, prospector, problem-solver and procreator.

## APPENDIX 2

### SELECTED BUYER-SIDE ARTICLES ON SELLING COMPETENCIES FROM 1997–2012

<b>Authors, year</b>	<b>Name of the study, methodology</b>	<b>Main research findings</b>
Jobber & Lancaster (2012, 270) Source: a. Garver & Mentzer (2000) b. Williams & Seminerio (1985)	Salesperson logistics expertise: a proposed contingency framework What buyers like from salesmen. Qualitative, sample: Buyers.	Key characteristics of salespeople desired by buyers: expertise in their company's products and the market, good communication skills, ability to solve problems, ability to understand and satisfy the buyer's need, thoroughness, ability to help in ensuring the reliable and fast delivery of orders.
Friend et al. (2011)	Buyer-seller relationships within a multisource context: Understanding customer defection and available alternatives. Quantitative, sample: Purchasing people.	To decrease the customer's perception of available alternatives, a salesperson should increase his or her trust. To decrease customer defection, a salesperson should increase customer satisfaction and commitment.
Töllner et al. (2011)	Customer solutions in the capital goods industry: Examining the impact of the buying center. Qualitative, sample: Buyers, buying center.	Findings suggest that customers in the capital goods industry purchasing solutions expect the following relational processes: customer requirements definition, customization and integration of goods and/or services, their deployment, post-deployment support, signaling activities, that is, demonstrating and presenting the reason to buy, and inter-process management, that is, remaining relational processes to support the relationship. Users focus on customized solutions, buyers on signaling activities and decision-makers on inter-process management.
Whipple et al. (2010)	A buyer's perspective on collaborative versus transactional relationships. Quantitative, sample: Buyers.	Collaborative relationships offer higher levels of satisfaction and performance than transactional relationships. Satisfaction as a construct means satisfaction with the result and the relationship. Trust and communication were the most important predictors of performance and satisfaction, regardless of the type of relationship examined.

Katsikeas et al. (2009)	Developing successful trust-based international exchange relationships. Quantitative, sample: Key informants of importers.	Existing levels of trust have a positive effect on relationship performance outcomes achieved one year later, especially under conditions of high interdependence of import-export relationships. Interfirm psychic distance, internal uncertainty and exporter transaction-specific assets and opportunism are related to importer trust. Partners whose behavior is foreseeable can be trusted more than partners who behave in an uncertain manner.
Rutherford et al. (2008)	Buyers' relational desire and number of suppliers used: The relationship between perceived commitment and continuance. Quantitative main study, sample: Buyers.	A significant relationship between buyers' perception of both the salesperson and selling firm's commitment and buyer's propensity to stay. When purchasing from a single supplier, the buyer's perception of the salesperson's commitment is more influential compared to purchasing from multiple suppliers. If a buyer desires the relationship, the buyer's perception of the salesperson's commitment in relation to propensity to stay is stronger.
Belonax et al. (2007)	The role of purchase importance on buyer perceptions of the trust and expertise components of supplier and salesperson credibility in business-to-business relationships. Quantitative, sample: Buyers	Contrary to expectations, buyers' perceptions of suppliers and salespeople's expertise and trust were higher in minimally important purchases compared to purchases of extreme importance.
Wagner & Klein, (2007)	Who wants to go first? Order effects within a series of competitive sales presentations. Quantitative, sample: Organizational buyers	Me-Too (competing) products should be presented last to exploit any recent effect. For The Market Leader product also, the last position is best, but when presented first it can exploit a primacy effect. Me-Too products presented through comparing product attributes reduces the market leader's primacy effect.
Cano et al. (2005)	Communication Media Preferences in Business-to-Business Transactions: An Examination of the Purchase Process. Quantitative, sample: Buyers and salespeople.	Buyers and salespeople prefer face-to-face and telephone communications over other media types. As a low cost medium, computer-mediated communications, such as e-mail, are crucial also. There are also differences in communication preferences in stages of sales and buying process to be taken into consideration by salespeople.

Homburg et al. (2005)	Determinants of customer benefits in business-to-business markets: A cross-cultural comparison. Quantitative, sample: Buyers	Customer benefits: product quality, service quality, and trust and add-on benefits consisting of supplier flexibility, joint action, and the commitment of supplier. Trust-increasing strategies in countries of lower individualism and higher uncertainty avoidance, such as Germany, should be employed. Product quality in a culture with high uncertainty avoidance is especially crucial. A good and individualistic service quality is appreciated, especially by individualistic cultures such as the United States. High commitment to the customer relationship and high flexibility to changing needs in cultures with high individualism should be employed. Through joint activities such as product development and logistics, uncertainty could be used.
Stafford & Stafford (2003)	Industrial buyers' perceptions of industrial salespersons. Qualitative and quantitative sample: Buyers.	Concerning industrial salespersons industrial buyers tend to apply the positive view: knowledgeable, qualified, capable and friendly. Negative characteristics were found: being fast-talking, overzealous and unprofessional.
Cannon & Perreault (1999)	Buyer-Seller Relationships in Business Markets. Quantitative, sample: Purchasing professionals.	Six key underlying dimensions characterizing the manner in which buyers and salespersons relate in and conduct relationships: information exchange, operational linkages, legal bonds, cooperation and relationship-specific adaptations by buyers and salespersons.
Reid et al. (1997)	Industrial buyers' assessments of sales behaviors. Quantitative, sample: Buyers	A salesperson's ability to use the information gathered was the most important determinant for purchasing agents. An ability to get information was second and an ability to give information was third in ranking.

### APPENDIX 3

## EXISTING DEFINITIONS OF PERSONAL SELLING

AUTHORS	DEFINITION	FOCUS
Ingram et al. (2009)	Personal selling, a crucial part of marketing, involves interpersonal communications between buyers and salespersons to initiate, develop and enhance customer relationships.	Interpersonal communication and relationship building
Weitz et al. (2009)	A person-to-person business activity in which a salesperson uncovers and satisfies the needs of a buyer to the mutual, long-term benefit of both parties.	Needs identification and satisfaction and long-term perspective
Dahlén et al. (2010)	Face-to-face, two-way communication in which a representative of the salesperson interprets a customer need or problem by presenting brand benefits.	Communication, needs and persuading
Lovelock & Wirtz (2011)	Interpersonal encounters in which efforts are made to educate customers and promote preference for a particular brand or product and two-way communications between service employees and customers designed to directly influence the purchase process.	Promotion, communication and influencing
Manning et al. (2012)	A process of developing relationships, discovering needs, matching the appropriate products with needs, and communicating benefits by informing, reminding or persuading.	Relationship building, needs, communication and persuading
Dixon & Tanner (2012)	The phenomenon of human-driven interaction between and within individuals/organizations in order to bring about economic exchange within a value-creating context.	Interaction and value creation
Brassington & Pettitt (2013); Solomon et al. (2013)	Interactive, personal, paid promotional approach between a buyer and salesperson.	Interaction, promotion

## APPENDIX 4

### INTERVIEW THEMES

First round, June–September 2010, 10 interviews: the interview consists of the following themes:

1. Demographic factors of the company: name, main industry and products, ownership, turnover, share of export and domestic business, main export countries, purchasing organization, purchasing volumes, main purchasing countries
2. Demographic factors of the interviewee; name, year of birth, education, title, work experience in purchasing and/or management job
3. First general question: How would you describe a competent salesperson, and professionally-behaving salesperson, in your industry?
4. Second general question: How would you describe an unskilled, unprofessionally-behaving salesperson?
5. Salesmanship skills: opening, need identification, product presentation, handling objections, negotiations, follow-up
6. Customer relationship-related skills: establishing, maintaining and developing relationship, loyalty building, transactional, long term and partnering relationships, conflict management, salesperson's role
7. Knowledge: information technology skills, product and customer knowledge
8. Interpersonal skills
9. Salesperson's attitude
10. Salesperson's personal characteristics boosting competence
11. Salesperson's ethical behavior
12. Salespeople's cultural skills
13. Future expectations from salespeople
14. Salespeople's learning skills

Second round, March–July 2011, 20 interviews: In addition to above topics the following topics were discussed:

1. Offering solution
2. Relationship maintaining
3. Value creation

Third round, January–February 2013, 30 interviews: Descriptions of purchasing orientations (by Anderson et al. 2009) were delivered for comments:

1. I am asking you to choose the purchasing orientation that is the most relevant to your company's purchasing function.
2. Do you employ other orientations also and, if so, in which connection?
3. Do you have any other comments relating to purchasing orientations?

## APPENDIX 5

### EXAMPLE OF INTERVIEW QUESTIONS AND CONVERSATION

1. Okay, would you describe what makes a skilled, a professionally behaving salesperson in your industry?
2. What about unskilled salesperson, have you met them? Could you describe more in detail?
3. Do you buy solutions or components; what you are actually buying?
4. So, you are buying also raw materials?
5. If we start now to discuss the sales process, how do you perceive a professional approach? Should the salesperson open the meeting with small talk?
6. Finnish salespeople have been criticized that they go straight to the point?
7. In a way, you want useful information sharing at this stage?
8. Related to need identification, what is the right way to find out what your problem or need is?
9. You mentioned added value. What are those added value factors you appreciate?
10. In your case, do you need any training services?
11. Did I understand correctly, you are planning and specifying more or less all the products you are buying?
12. Concerning the presentation of the product or solution, what is the right way to present to you?
13. It has been claimed that Finnish salespeople are too modest to persuade buyers about the benefits of their product. How do you see that?
14. So, you mean that the salesperson should know also the competitor's product?
15. You mentioned that you are eager to make questions to the salesperson. How does a great salesperson handle your additional questions?
16. How do you see a great negotiator; how does a professional salesperson negotiate?
17. Are there still such unrealistic price proposals?
18. In your company, who is leading the negotiation, a salesperson or a buyer?
19. In relation to price, do you ask for open-price calculations from the supplier?
20. What about price increases then? How should price increases be negotiated by the salesperson?



21. So, do you mean presenting reasons or arguments instead of price increase letters?
22. I guess you have negotiating power with these volumes?
23. How do you see it? Do salespeople manage contracting, terms of delivery and terms of payment issues?
24. What about the negotiating authority of the salesperson?
25. Is it disturbing if the salesperson has not enough authority to negotiate?
26. You mean that closing a sale is difficult for both parties nowadays?
27. What should a professional salesperson do in the meantime when the matter is in the decision-making round, just wait or something else?
28. Centralized decision-making is making daily business more complicated, then?
29. Concerning contacting after the deal, how and in which way does a great salesperson keep contact with the buyer?
30. It seems to be that purchasing people are always in a hurry, is it so?
31. You mentioned that you prefer long-term customer relationships. Can you estimate the share of these relationships in your company?
32. How do you ensure that your partner suppliers are price competitive?
33. How do you perceive whether salespeople actively try to establish new customer relationships?
34. Are you reducing the number of suppliers?
35. Related to long-term customer relationships, how does a professional salesperson aim to further develop their current relationships?
36. Should a salesperson know your industry, business and strategy?
37. Do small companies have opportunities to become a supplier to you?
38. In general, how do you see the salespeople's product knowledge?
39. Do you inform the salesperson about your purchasing decision-making process?
40. Can the salesperson make contact with other departments within your company, too?
41. We already discussed ways of interaction and you mentioned you prefer interaction based on facts. Are there other interaction skills you want to point out?
42. During the meeting, if the salesperson finds that the buyer is task-oriented like you, should they adapt their behavior to your way of interacting?
43. When doing international business, have you noticed cultural clashes?
44. How do Finnish buyers perceive foreign cultures in general?
45. How does it manifest if the salesperson's attitude is wrong?
46. Concerning the salesperson's characteristics, such as age, gender and experience, do you have anything to say on those traits?

47. How do you see the salesperson's ethical behavior and ethical issues in general?
48. Who 'owns' the relationship, a salesperson or a salesperson's company?
49. If you are satisfied with the salesperson, can they increase the share of your business, and in case of dissatisfaction with them, do they lose your business?
50. In business, sooner or later conflict situations emerge. How do professional salespeople handle conflict situations?
51. You are meeting foreign salespeople on a regular basis. Have you found that they possess selling skills that Finnish salespeople should learn about?
52. And what about foreign salespeople, should they learn something about Finnish salespeople's selling skills?
53. Is a salesperson made or born?
54. How do you see the future of your industry? Is there something in the air that may have an impact on expectations of a salesperson in the future?
55. Is there still something related to the topic of a professional salesperson or selling skills that you would like to mention?

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