'It's Almost Like Taking the Sales out of Selling'

Towards a Conceptualization of Value-Based Selling in Business Markets

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Abstract

While the creation of superior customer value is regarded as fundamental to a firm’s long-term survival and growth, little is known about the effective implementation of a firm’s value orientation at sales force level. As the sales force plays a pivotal role in implementing marketing strategies, this study adopts a discovery oriented approach and conceptualizes value-based selling as an effective sales approach in business markets. Based on in-depth interviews with sales managers in a variety of industries, we identify and portray three salient dimensions of value-based selling, namely (1) understanding the customer’s business model, (2) crafting the value proposition, and (3) communicating customer value. The selling behavior entails a mutual orientation and focuses on the value-in-use potential of the offering for the customer’s business profits. We argue that value-based selling is a unique concept that differs from the established selling approaches and propose a conceptual model linking value-based selling to performance outcomes. To further advance our knowledge about the effective implementation of a firm’s value orientation, we identify future research avenues embracing qualitative and quantitative research methodologies.

Keywords

Customer value, value co-creation, personal selling, selling behavior, strategy implementation, qualitative research

In recent years, customer value has emerged as an issue of major concern to marketing researchers and practitioners alike. Though it has always been “the fundamental basis for all marketing activity” (Holbrook, 1994, p. 22), customer value did not attract much attention until it became a watchword in the marketing discipline. Today, there is widespread agreement that the creation of superior customer value is key to a firm’s long-term survival and growth (Slater, 1997; Woodruff, 1997). In business markets in particular, customer value is the cornerstone of the marketing management process (Anderson & Narus, 2004).

Scholars have advanced our understanding of customer value in business markets over the last decade – both conceptually and empirically (Lindgreen & Wynstra, 2005; Möller & Törrönen, 2003; Ulaga & Eggert 2006a). Among others, they identified the key dimensions of the value construct in business relationships (Ulaga & Eggert, 2006b), developed reliable scales for capturing customer value in business markets (Menon, Homburg, & Beutin, 2005), and linked the construct to its antecedent and outcome variables (Wagner, Eggert, & Lindemann, 2010). Simultaneously, research on customer value has also started to explore the mutual aspects of value co-creation, stressing the active role of the customer. The insights from the service view emphasize that value is not created by the seller alone but co-created by the seller and customer realizing in customer’s value-generating processes (Grönroos 2008; Vargo & Lusch 2004).

While we can build on a sound and growing body of literature on customer value in business markets, its implementation at sales force level has remained a largely neglected area of discovery. Scholars agree that the sales force plays a pivotal role in implementing a firm’s marketing strategy. Unless salespeople understand and persuasively communicate the superior value proposition to targeted customers, a firm’s strategic focus on value creation will not impact performance (Anderson, Kumar, & Narus, 2007). Therefore, Woodruff (1997, p. 151) has called for research on “how specific ways of implementing customer value orientation relate to organizational performance.”

The sales literature contains numerous references to value-related behavior and sales scholars as well as practitioners have long recognized the importance of customer value. Rackham and DeVincentis (1999, p. 66), for example, state: “The only single “truth” that seems to be holding for all sales forces is that they will have to create value for customers if they are to be successful.” So it is perhaps surprising that no studies have as yet conceptualized a value-based sales approach. Rather than training the spotlight on customer value, sales research has ventured in other directions with customer oriented selling and adaptive selling as the two most prominent salesperson behaviors under investigation (Saxe & Weitz, 1982; Spiro & Weitz, 1990). Empirical findings, however, stand in sharp contrast to their prominent position in the literature. A recent quantitative synthesis of more than a hundred empirical studies revealed that customer oriented and adaptive selling account for less than 9% of the observed variance in salesperson performance (Franke & Park, 2006).

Against this backdrop, there is a need to explore and conceptualize value-based selling as a sales approach that focuses on implementing a firm’s customer value orientation at sales force level. At the beginning of this century, the AMA Faculty Consortium on Professional Selling and Sales Management has already identified the question of “[h]ow an individual sales representative [creates] value” (Marshall & Michaels, 2001, p. 16) as an important issue for future research. However, the marketing and sales literature still lacks a thorough understanding of value-based selling, which in turn impedes a deeper understanding of how a firm’s customer value orientation translates into bottom line results.

Based on the identified research gap we propose two research questions:

- How can we define and conceptualize value-based selling?
- How does value-based selling compare to existing sales approaches?

In answering these questions, the remainder of the manuscript is structured as follows. First, we review the extant literature on value and salesperson behavior to demonstrate the research gap more effectively i.e. none of the existing sales approaches build on the concept of customer value. Second, we present our qualitative study to explore the concept of value-based selling behavior. Based on insights generated through in-depth interviews in multiple industries, we conceptualize value-based selling comprising three dimensions: (1) understanding the customer's business model, (2) crafting the value proposition, and (3) communicating customer value. Finally, we propose a conceptual model linking value-based selling to performance outcomes and offer directions for future research.

From a theoretical perspective, this manuscript integrates customer value and personal selling research, enriches the value-based theory of marketing (Slater, 1997), fosters our understanding of sales and firm effectiveness, and facilitates future research on the successful implementation of marketing strategies and on salespeople's value orientation. From a managerial perspective, it offers insights on how firms can effectively implement value-oriented strategies and transform their sales forces to enhance sales effectiveness.

Customer Value in Sales Research

Three perspectives on value

The concept of customer value relates to customers' benefits and sacrifices (c.f. Zeithaml 1988) and has recently evolved toward a focus on realized value-in-use in customers value creating processes as determined by the customer (Grönroos 2008; Vargo & Lusch 2004). Value research is rooted in economics, psychology, and business administration. In the field of business administration, a considerable part of the strategy, organizational behavior, and the marketing literature is closely linked to value concepts (Lindgreen & Wynstra, 2005; Payne & Holt, 2001).

While value creation in business often takes place in broader networks (e.g. Kothandaraman & Wilson 2001) and involves a network of different stakeholders inside customer firms (e.g. Wesley & Bonoma 1981), value has primarily been investigated from three perspectives, namely the vendor perspective, customer perspective, and a “dyadic” perspective. From the vendor perspective, research focuses on how firms can create, increase, and capture value in order to maximize the value of their economic activities. From the customer perspective, research deals with the value customers receive in market exchanges. The dyadic approach to customer value integrates both perspectives (see Figure 1).

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As shown in Figure 1, the vendor perspective has been adopted by three major research streams: research on the value chain (e.g., Piercy, 1998; Porter, 1985), on a customer’s value to the firm (e.g., Blattberg & Deighton, 1996), and on creating shareholder value (e.g., Cleland & Bruno, 1997). The first research stream emphasizes the concept of creating value for the firm by managing the firm’s internal activities. The second perspective relies on the assumption that all customers are not created equal and their value to a firm differs across customer segments. The third perspective focuses on how firms create value for their shareholders.

The customer perspective underlies research on product related value (e.g., Parasuraman & Grewal, 2000) and customer perceived value (e.g., Zeithaml, 1988). The former focuses on the value customers acquire from (tangible and intangible) product characteristics and their “consumption” (i.e. the use, appreciation, etc. of the product). Research on customer perceived value stresses the idea that the value of a firm’s offering should be defined from the customer’s point of view.

The dyadic perspective on value integrates the selling firms’ and customers’ perspectives on value creation and comprises four research streams. Research on superior customer value creation and delivery argues that a firm’s success depends on the extent to which the firm delivers to its customers what is of value to them (e.g., Kohli & Jaworski, 1990; Narver & Slater, 1990). Research on value distribution focuses on how value is shared between firms and their customers (e.g., Chu, Chintagunta, & Vilcassim, 2007; Wagner, Eggert, & Lindemann 2010). Research on relationship value acknowledges the role of business relationships in value creation (e.g., Palmatier, 2008; Ulaga & Eggert, 2006; Walter, Ritter, & Gemünden, 2001). Most recently, studies adopting a service-dominant logic view have started to investigate the co-creation of value (Vargo & Lusch, 2004).

The dyadic perspective is of particular importance to the present study as it adopts an integrative perspective addressing both vendor and customers, and thus directly relates to the exchange view of marketing (e.g., Bagozzi, 1975; Hunt, 1991), which is at the heart of selling (Evans, 1963; Sheth, 1976). Research on relationship value highlights relational dimensions of customer perceived value (Tuli, Kohli, & Bharadwaj, 2007; Ulaga & Eggert, 2006) and thereby reflects the fundamental transformation of the sales force we are currently observing. Similarly, an increasing number of companies are shifting from a goods-dominant logic towards a service-dominant logic by emphasizing strategies based on value co-creation, such as solutions and lifetime services. In the co-creation view, value is not embedded in the outputs of manufacturing companies, i.e. exchange value, but emerges through consumption in a customer's value generating processes, value-in-use (Ballantyne et al., 2010; Grönroos 2008; Payne, Storbacka, & Frow, 2008; Vargo & Lusch, 2004). Hence, both seller and customer play an active role in creating value, entailing a mutual orientation, and the role of the seller shifts towards making superior value propositions that create opportunities for co-creating value with the customer (Vargo & Lusch, 2004), acting as a value facilitator who provides the foundation for a customer's value creation processes and co-creation during direct engagement in interactions with the customer (Grönroos, 2008; Grönroos & Helle, 2010).

The value literature has only recently begun to address the role of the salesperson in creating and delivering value (Corsaro & Snehota, 2010). This is astonishing given that the value literature acknowledges the strategic importance of salespeople in implementing a firm's value proposition and creating value for the firm and its customers (Woodruff, 1997). Also, the service perspective on value is still evolving and only a little is known about the value co-creation activities in selling and at salesperson level. As salesperson-related value research is still in its infancy, the fundamental questions remain open as to what behaviors salespeople should engage in from a value perspective and how these behaviors relate to the creation of value.

Value-related salesperson behaviors

In the personal selling literature, we find numerous references to the importance of salespersons' value-creating behaviors (e.g. Johnston & Marshall, 2006; Weitz & Bradford, 1999; Weitz, Castleberry, & Tanner, 2007). Yet, to the best of our knowledge, no published research has conceptualized a value-based selling approach or synthesized its dimensions. A review of the current selling behavior constructs shows that none of the prevailing constructs has incorporated customer value as the key focus of selling. Instead, the current approaches deal with value as, largely, implicitly focused on some narrow, specific aspects of customer value as demonstrated by the subsequent analysis of selling behavior constructs and their relation to customer value.

Based on a systematic review of the sales research on value-related constructs, and in line with our objective of identifying relevant selling approaches, we concentrated on relatively broad concepts of selling behaviors explicitly or implicitly related to customer value. While we integrated insights in any of the research on value-related selling constructs in an effort to conceptualize value-based selling, given our focus we did not include constructs that center on cognitive processes or abilities (e.g., opportunity recognition or selling skills; Bonney & Williams 2009; Rentz, Shepherd, Tashchian, Dobholkar & Ladd 2002), on selling behaviors that relate to a logic of creating value for the seller (e.g., hard selling or up-selling; Chu, Gerstner & Hess 1995; Wilkie, Mela & Gundlach 1998), or on relatively narrow, specific selling behaviors (e.g., sales service behaviors, sales negotiation behaviors, or salesperson listening behaviors; Ahearne et al. 2007; Clopton 1984; Ramsey & Sohi 1997). As shown in Table 1, our approach led to the identification of six established selling behaviors related in some way to customer value. How these behaviors relate to customer value is discussed in detail next.

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In the sales research, most attention has to date been focused on the study of adaptive and customer oriented selling behaviors (Franke & Park, 2006; Park & Holloway, 2004). *Adaptive selling* refers to the adjustment of sales behaviors in customer interactions, based on perceived information about the selling situation (Spiro & Weitz, 1990; Weitz, Sujan & Sujan 1986). While adaptive selling concentrates on adapting interaction and sales style to the profile of a specific customer, the domain of adaptive selling is related to influence tactics (McFarland, Challagalla, & Shervani, 2006), and adaptive salespeople neither systematically nor necessarily display behaviors that aim at, and result in, the creation of customer value. In addition, the construct of adaptive selling provides no indications of what behaviors salespeople should engage in to create customer value.

Customer oriented selling is related to the concept of customer value in that it refers to implementing the marketing concept in selling, and entails helping customers achieve their goals and make purchasing decisions that will satisfy their needs (Saxe & Weitz 1982; Stock & Hoyer, 2005). However, the construct's prevailing conceptualization and measurement mainly reflect communication behaviors and do not involve an explicit, systematic link to the creation of customer value. As Schwepker (2003, p. 165-166) concludes in his comprehensive review of the customer orientation literature, "[Saxe and Weitz′ (1982)] definition and measure of customer-oriented selling (i.e., SOCO) concentrates primarily on the communication behaviors (i.e. sales presentation behaviors) of the salesperson during a customer interaction. (…) Salespeople may take numerous actions (e.g., … creating value, etc.) beyond merely presenting a solution that may help customers achieve their goals and thus satisfy customers. Yet such actions are not assessed with the current scale developed to measure customer-oriented selling." This deficit might be the reason for Franke & Park's (2006) meta-analytic finding of there being no consistent relationship between salespeople's customer orientation and performance across studies. As current evolutions of the conceptualization of customer oriented selling (Homburg, Müller, & Klarmann, 2011) still do not involve a systematic link to the creation of customer value, we argue that a broader, customer value-based conceptualization of selling behaviors is required to explain selling performance in B-to-B settings more effectively.

Consultative selling refers to the process of providing information in a professional fashion to help customers take intelligent actions to achieve their business objectives (Liu & Leach 2001). With the focus on identifying and solving customer problems, consultative salespeople are valued advisors (rather than promoters of a particular product) who communicate their extensive market knowledge in ways that provide value to customers and/or provide value added customized solutions. Although explicitly linked to customer value, it is unclear whether and how these two facets are thought to exhaust the value creation domain. Specifically, the conceptualization of consultative selling remains vague in that Liu & Leach (2001), or subsequent research, neither explicate the behaviors relevant to value-creating communication and solution provision, nor provide a measure for the construct.

As can be seen in Table 1, research on *relationship selling* and *partnering behaviors* explicitly links these behaviors to the concept of customer value (Crosby et al. 1990; Jolson 1997; Weitz & Bradford 1999), but fails to conceptualize the constructs in ways broad enough to exhaust the value creation domain. While most relationship selling studies emphasize customer value creation as the ultimate goal of selling, a closer examination of the proposed domain of the construct reveals that it is limited to behaviors aimed at building trust and interpersonal bonds (e.g. intensive follow-up, mutual disclosure; Crosby et al. 1990; Frankwick, Porter, & Crosby, 2001). Similarly, *partnering behaviors* are suggested to enhance the profits of the selling and buying firm, but to involve only the selling behaviors of building and maintaining customer relationships and managing conflict (Weitz & Bradford 1999).

Finally, Table 1 shows that the concept of *agility selling* has its focus on maintaining customer relationships through swift and appropriate responses to changes, and exploiting changes as opportunities (Chonko & Jones 2005). Similarly to the construct of adaptive selling, the conceptualization of agility selling neither systematically nor necessarily involves behaviors that aim at, and result in, the creation of customer value.

Overall, the current selling behavior constructs are explicitly or implicitly related to customer value, but neither systematically nor sufficiently cover the whole domain of customer value creation. This is particularly evident in as much as none of the constructs' operationalizations focuses on value creation opportunities for the customer's business as a key constituent of selling. Extant constructs rather emphasize selective aspects of value resulting from the selling style *per se* such as the cooperative orientation or adapting the selling interactions to a specific customer (see Table 1). Hence, research has yet to answer the questions of (1) how a selling behavior based on the creation of customer value, which we label value-based selling, can be defined, (2) what the key constituents of the construct are, and (3) to what consequences value-based selling is linked.

Methodology

To explore the value-based selling construct, its key constituents, potential outcomes and relationship to other selling behavior constructs, we gathered data via in-depth interviews with experienced sales managers. We carefully elaborated our sample in an attempt to select (1) firms that evolve in a variety of industries and markets to gain a rich picture about the phenomenon, (2) companies with successful track record, and (3) knowledgeable interviewees with good experience about the topic who were able to speak about the phenomenon of interest. The qualitative sample comprises key informants from eleven internationally operating companies in Finland, France, Germany, Switzerland and the US. Our sample size is consistent with the sample sizes recommended for exploratory research (McCracken 1988). The sampling process ceased at saturation, as indicated by information redundancy.

The key sample characteristics in Table 2 show that the respondents represent companies operating in various markets, including cleaning systems optimization, elevators, gases, IT solutions, media and telecommunication services, marine and energy services, media planning and purchasing, medical and diagnostics equipment, paper machine parts, manufacturing and distribution of haulage and loading equipment, ventilation and air handling. The companies range from small- and medium-sized firms to Fortune 500 corporations. The firms rank among the leaders in their industry as reflected in their commanding market share, rapid sales growth, or ability to charge premium prices. For example, the firm "Gamma" was the price leader in its industry being able to sell at much higher prices compared to competitors.

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In developing our sample, we aimed to ensure diversity amongst the participants, so that we could uncover the variety of facets related to value-based selling behaviors. Yet we also needed the study participants and firms to share significant experience in value-based selling, in order to generate deep insights into the construct and allow for comparability across firms. Therefore, we sought diversity in the functions and hierarchical levels represented by the participants. Because we relied on key informants, we needed influential managers who led sales initiatives and policies for their respective firms, and therefore invited only senior level managers to participate. The respondents occupied positions such as CEO, Vice President, Sales Director, or Business Development Manager. We carefully selected participants to ensure that all informants held a deep knowledge of selling processes at their respective companies. For example, one participant was widely recognized in his industry as an expert contributing articles in practitioner magazines about value-based selling. Another was recognized inside the global sales organization of a multinational manufacturer as a best-in-class expert in the firm's value-selling approach, leading internal workshops on value selling. In their respective functions, all participants managed sales forces and sales processes, were familiar with a variety of selling approaches, and received feedback from their salespeople and customers about the effectiveness of various selling behaviors. The majority of the informants were also actively involved in their firm's selling processes, indicating that they were competent and reliable informants with regard to value-based selling behaviors.

We adopted a discovery oriented, theories-in-use approach (see Zaltman, LeMasters & Heffring 1982; Tuli, Kohli & Bharadwaj 2007) that is, we built on our initial insights from our review of the customer value and selling literatures and generated insights from practitioners to develop a sound conceptualization of our value-based selling construct. This approach is particularly suited for the present study as despite the rich body of literature about both value and selling behaviors, a careful review of scholarly research in these domains reveals a lack of a clear definition of the value-based selling construct and a thorough investigation of its conceptual breadth (cf. Kohli & Jaworski 1990). In the first part of the interview, respondents described their core business and market environment, enabling us to gain an understanding of each company's core markets. In the second part, we explored the value-based selling construct. We relied on open questions and structured the interviews around the following themes: (1) the role of customer value in the sales approaches adopted by the companies' salespeople, (2) challenges and facilitators of customer value focused selling behaviors, (3) similarities and differences between value-based selling and other selling approaches, and (4) potential outcomes of value-based selling.

To facilitate the process, we asked participants to provide specific examples of value-based selling initiatives, which we used to probe the different facets of the construct and the specific meanings for each dimension. We attempted in particular to understand how the managers viewed the uniqueness of value-based selling compared to related, yet different, approaches. Therefore, we carefully phrased the questions to elicit responses in an unobtrusive, nondirective manner, and avoid the potential pitfalls of "active listening" (McCracken 1988, p. 21). Our primary objective was to facilitate the emergence of key insights, grounded in the managers' own language, rather than capture relevant aspects of value-based selling that we already had specified.

In the third part, the interview was concluded by asking the respondents to describe themselves and their company background. Interviews lasted, on average, one to one-and-a-half hours. Each interview was audio-taped and transcribed verbatim, which resulted in 176 pages of text. We turned to grounded theory coding, which involves open, axial, and selective coding (e.g., Flint, Woodruff, and Gardial 2002; Strauss and Corbin 1998). NVivo 8 software was employed to facilitate the coding, analysis and interpretation of the interviews

The lead researcher in this study performed the open coding, paragraph by paragraph, to identify the individual facets of value-based selling mentioned in the verbatim transcripts. Any facet that emerged during the analysis was labeled with in-vivo or descriptive codes (Strauss and Corbin 1998). The other three researchers then compared results, discussed any differences in coding outcomes, and jointly developed a preliminary coding plan that (1) listed the facets of value-based selling, (2) provided a label and definition for each facet, (3) specified the respective properties of each facet, and (4) delivered an example to illustrate its meaning and content. We leant on three key criteria in deciding whether to include specific value-based selling dimensions (Tuli, Kohli, and Bharadwaj 2007). First, is the facet applicable beyond a very specific context? Second, did multiple participants mention the facet? And third, does the facet go beyond the obvious to provide interesting and useful conclusions?

In the axial coding step, we laid out the properties and dimensions of each facet identified in the previous step. We also investigated relationships between facets. As recommended by Strauss and Corbin (1998), we first assessed how each facet related to other facets and related selling approaches, before developing our overall framework. Finally, in the selective coding step, we integrated all value-based selling dimensions and related outcomes in an overall framework. We reviewed the scheme for internal consistency and refined the wording of the definitions and the selected examples. Overall, the use of multiple investigators in data collection (investigator triangulation), high level of agreement in peer checks of the coding and the saturation of the results from the diverse set of interviewees support the validity of the findings.

Conceptualizing Value-Based Selling

The face-to-face interviews with sales managers indicated that value-based selling is a viable and utilized sales approach in the companies selected for our study. The common themes recurring in top of mind responses indicate that value-based selling behaviors shift the sales focus to the offering's implications for the customer's business instead of focusing on customers' expressed needs and creating customer satisfaction. More specifically, respondents emphasized that value-based selling is a broader approach than selling product functionalities or customer benefits, focusing on the value-in-use potential of the offering for the customer's business and financial profits. The quotes below illustrate the respondents' top of mind thoughts about value-based selling behaviors.

> **Gamma:** "It's almost like taking the sales out of selling, quite frankly. Instead of seeing how many products we can push out in the marketplace, it's about how successful we can make our customers."

Iota: **"**All value selling does is translate back to the customer what your solution does for their business, in terms of dollars and cents, monetary benefits. So it's about what it actually means for their business…if you have a good solution for the customer, making it as powerful as possible is actually translating the benefit into monetary terms."

Lambda: "To add value to our customers, the key issue is that salespeople really understand customers' businesses and how they make their earnings and based on that create a solution."

The interviews show that value-based selling goes beyond presenting the benefits of an offering to the customer. The central aspects of value-based selling behaviors are efforts to understand the customer's business and the related value creation opportunities, proactive crafting of value propositions that are substantive from customer's point of view, and communicating the value potential to the customer. Overall, the results indicate that this requires an inherently two-way orientation where both the salesperson and the customer are active participants (c.f. Vargo & Lusch 2004).

More specifically, the analysis of the interviews reveals that value-based selling is a multidimensional concept comprising three salient dimensions: (1) understanding the customer's business model, (2) crafting the value proposition, and (3) communicating the value. We therefore define value-based selling behavior as *"the degree to which the salesperson works with the customer to craft a market offering in such a way that benefits are translated into monetary terms, based on an in-depth understanding of the customer's business model, thereby convincingly demonstrating their contribution to customers' profitability."* The definition emphasizes that the monetary aspect of customer value opportunity represents the goal of value-based selling. However, the interviews also indicate that determining the exact financial implications of an offering for the customer's business often appear to be very difficult as discussed in detail in the following chapters. Several factors affect a firm's ability to practice value-based selling effectively and efficiently. Finally, this conceptualization refers to a selling approach and consequently related selling processes have been omitted from this study. Next, we discuss the three dimensions of value-based selling in detail.

Understanding the customer's business model

All respondents emphasized that value-based selling must be *based on behaviors focusing on building a thorough understanding of the customer's business goals*. The need for a thorough understanding was manifested in a variety of ways in the interviewees' comments, such as the need to understand the customer's goals, how the customer makes its money, the customer's earning logic, and to understand the customer's customers, which are all condensed into the *business model* concept. Johnson, Christensen and Kagermann (2008) delineate four key dimensions in a business model: the customer value proposition, profit formula, key resources, and key processes, which were omnipresent in the interviews as illustrated by the examples below:

> **Alpha:** "For selling value…It's not enough to be on the skin of the customer, you need to be under his skin. You need to take risks and responsibility for a specific part of a customer's process or activities."
>
> **Lambda:** "Nowadays, we really need professional sales people who of course know the customer but also understand the customer's business, and they are really supposed to have an in-depth understanding of the customer's earning logic: that decides how we can hopefully come in and add value to the business."
>
> **Iota:** "That's what we've been trying to do as well, so there's a couple different dimensions to this. One is making sure the sales force can understand the financials of a customer's business. So we've rolled out training to the sales force so they understand how the customer's business works from a financial perspective, so that's one of the prerequisites. The other prerequisite is finding the right spot in the selling process for tools like this, you obviously don't want to lead with a tool like this."

Understanding the customer's business model is critical as it enables a sales approach aimed at the proactive creation of value for the customer's business. The interviewees emphasized *going beyond customer articulated needs for selling value*. This finding is interesting as customer needs have been the cornerstone of sales research for decades, as reflected in the most prominent scales for capturing sales behavior (c.f. Saxe & Weitz, 1982). Since customers frequently cannot explicate their real business needs, selling often remains at the level of predefined requirements without an understanding of the real drivers that contribute substantial value to the customer's business. Tuli, Kohli and

Bharadwaj (2007) have identified similar challenges in creating solutions, and underline the point that the solution requirements definition is challenging as customers are not fully cognizant of business needs, since the broader business needs differ from simple functional specifications, and because current and future needs may differ (see also Leonard & Rayport 1997; Slater, Narver & MacLachlan, 2004). From the co-creation perspective, this proactive orientation reflects a salesperson's value facilitator role that necessitates customer participation and the customer being ready to buy "a service" instead of predefined "resources" (see Grönroos 2008, p. 309). The following quotes demonstrate the importance of going beyond customers' expressed needs in selling value:

> **Kappa:** "I have a couple of public sector customers who buy based on a legally defined open decision process. For them, I see that the problem is that they are themselves defining in advance what vendors should offer and that means you don't get the best but rather what you are asking for. A good example is the whole Finnish public sector. They have spent twenty years competing and the outcome should be the world's best system for the Finnish State, but actually it's vice-versa. For me, it's a good example of how you, as a customer, buy something and create restrictions so that vendors aren't able to offer what you really need, what you should really get."
>
> **Gamma: "**A customer might call and ask for 20 trucks, we can quote for those 20 and just sell them to them, or we can ask them what they are trying to accomplish, in which case, and we've actually done this and a few times recently, we've been able to go back to them and say you only need 18 trucks, you don't need 20. So we're basically saving you seven million dollars worth of capital costs, you have operators that you run around the clock, tires and fuel and maintenance costs for these trucks. We're saving you, over a five year period, maybe upwards of $15 million, no question about it. So we're trying to evaluate the situation and find out what the customer is trying to accomplish instead of just selling them something."
>
> **Beta**: "In conservative industries, traditional selling is more a question of reacting. The customer knows what he wants to buy and then there's a tender for that purchase. The customer starts an investment procedure and then they call for offers, which is the impulse. In our concept the customer doesn't know that they need this…This makes us have to teach the customer how much the actual CIP system costs, what's the cost of running the CIP system…The most important thing for me in sales is that people have the same target. We need to have the same target as the

customer that we are there to reduce costs. No, we are not here to sell them equipment; we're here to reduce their costs."

Finally, the interviews stress that understanding the customer's business model enables the salesperson to identify the most important *value drivers for adding substantial value to a customer's business*. A deep knowledge of the customer's business helps salespeople concentrate on the issues that will make a difference for the customer, and allows the salesperson to differentiate his company from the competition (c.f. Anderson, Narus, & van Rossum, 2006; Slater, Narver & MacLachlan, 2004).

Gamma: "We do lead in price, are certainly the most expensive, but one of the reasons that the [..] machine costs more is it's designed to be used for multiple lives. So we're running 793 trucks for 100,000 frame hours, and then we bring those 100,000 hour trucks to our rebuild center, and we rebuild them from the ground up, and they go back out and they run another 100,000 hours, and a lot of basically all of the competitive offerings, those trucks do not get rebuilt, they're typically a single use. They will run until for their maximum life or maximum hours and then they need to be replaced… even including the cost of the rebuild at the 100,000 hour mark, we are still, over the 200,000 hour life cycle, by far the lowest cost per hour, or a lot of people in mining go by cost per ton of material moved."

Beta: "If a dairy needs more capacity then they are willing to pay lots of money for the time. If they're just shifted from two shifts to three shifts, they have the people there and they have all the costs but they cannot downsize into two shifts or reduce costs somewhere, so what do they do with the time?"

Iota: "We knew that our drug-eluting stent had a certain cost profile based on the clinical trial, not just the cost of the product but the entire cost of treating a patient over a year period. And we were able to compare that to the treatment alternative which was a different type of stent at the time. So when we launched that product we charged three times as much as the original technology. And the reason we were able to do that is because we have the economic data that shows even at three times of the cost of the technology, it actually will be at least break even if not cost savings for the payers. And that excludes a lot of quality of life benefits that we didn't put a value on."

In sum, *understanding the customer's business model is defined as the degree to which a salesperson focuses on identifying key drivers of customers' earning logic*. This understanding forms the basis for crafting compelling value propositions and communicating them effectively.

Crafting the value proposition

The second dimension of value-based selling concerns the crafting of the value proposition. In value-based selling, the focus is on active identification of customer problems and the creation of mutually valuable solutions to those problems (c.f. Liu & Leach, 2001). Hence, value oriented salespeople strive to *actively indentify and craft offerings that have substantial potential to impact customer profits*. The interviews indicate that *quantification efforts* are a major aspect of crafting the value proposition. Salespeople can base their customer value quantification efforts on different methods such as customer specific value calculations, value studies, simulations, return-on-investment studies, lifecycle calculations, and knowledge about the value created for reference customers. Quantification efforts aim to build evidence for the offering's monetary implications in the customer application for value-in-use (c.f. Grönroos & Helle 2010). Consider the following quotes from our interviews:

> **Zeta:** "The first step is actually benefits calculation and that's what we started to do. We used to make them only if the customer asked but now we are proactive and make the benefits calculation as it is easy to do."
>
> **Gamma:** "Going back to that example where the customer says I need 20 trucks, and we go back and ask them, well what are you trying to accomplish? Well, I need to move this much material from this place to this place. I need to do it in this much time. Well, by asking them that and then maybe the next level of detail, we're able to plug that data into this production value tool, and it will calculate for our equipment, how it will perform, making certain assumptions and getting certain information from the customer, to evaluate could we get away with say 18 trucks instead of 20. On the maintenance side and kind of the technical side of the equipment there are value tools there as well that focus more on the cost per hour to run the piece of equipment. And again we can get information and data from the customer coupled with experience that we have in things that we know, and we can plug information into that tool and it will spit out some data and some information for us."
>
> **Beta:** "We carry out a pre-study for each customer, we've collected a database already, and then we simply analyze during our optimization and also compared to other dairies, how much could be saved from their current savings and we estimate how much, let's say, if we say 10%, how much would they save? How much water, how

much energy, how much in chemicals, and how much time. […] To my way of thinking, I try always to convert everything to euros. What does this mean in euros? Will the customer actually benefit or not?"

Theta: "So we have some key features that are available only from us that help in traffic management. Basically, what the company is selling is mobility, vertical mobility. […] So, basically, when we are able to get in at the early phase of the project, when we are able to get to the stage where we can carry out some traffic management studies, most of the time we have the most efficient solution to offer and we await their job…And we can show the gap between the conventional systems that all companies offer, and our specific system, and what the customer will save. In terms of traffic management."

An effective value proposition cannot be crafted by the seller alone but requires at least some mutuality and *participation* from the customer based on dialogue, customer specific data, and other customer inputs. Overall, this reflects service thinking where crafting value propositions is based on the idea of "co-creation" of value rather than predefined "delivery" of value (c.f. Ballantyne et al. 2011). Accumulated knowledge is also a central feature as it allows for the transfer of value-in-use data from one customer to another.

Beta: "We carry out a pre-study of their washing systems...We calculate, or get data, how many times they wash each target every day during one week. Then we multiply this by 52, we get an understanding of how much they wash during one year. And then we simply analyze during our optimization and also compared to other dairies from which we have collected a database, how much could be saved. We estimate how much, if we say 10%, how much would they save? How much water, how much energy, how much in chemicals, and how much time."

Zeta: "How I've done it is that I have a calculation based on the assumptions I have, I correct it every time I see a customer so it becomes more precise every time."

Kappa: "When you have that trust you can define the value together. That's the way to define it, together. But most of the time you have to know the customer in advance. They don't have time to explain it for many vendors."

Even if salespeople cannot precisely quantify the value of their offerings, our interviews underline the importance of making the size of the *value opportunity* visible to the customer. Respondents emphasized widely that this may be more important than trying to quote the most precise numbers. Similar ideas have been presented in more general business marketing literature; only the most worthwhile aspects of customer value, “the resonating focus”, should be stressed for the best results (see Anderson et al. 2006). This is a sensible approach as the value-in-use of the offering is realized through the customer’s consumption, creating a basis for a reciprocal promise of value finally determined by the customer (c.f. Ballantyne et al. 2011).

> **Alpha:** “Make the size of the opportunity and value visible. So the customer then starts to consider if it is something for him. You need to have this idea of the size of the value. You need to have that when you finish. So you actually need to know something about the customer to be able to do that.”
>
> **Zeta:** “The first step is actually benefits calculation and that’s what we started to do…And that has to be based on real facts but they have to be quite easy to understand. We should not make too complicated calculations. When you do it like that it becomes very difficult to understand. So what I have done is that I take maybe only the four biggest things and calculate them, they bring usually 80% of the savings, and forget the others.”
>
> **Iota** “So what we’ve gone for is really the keep it simple principle and explained up front to the customer we’re not going to cover 99% of your operation. What we’re going to do is give you a broad estimate which we think will be about 85% right. And this allows the sales representative up front to be able to position the tools and the selling process, this isn’t a customized in-depth study over weeks and weeks, it’s a simple estimation of what we think the benefit of using our solution compared to the competition’s will provide for them.”
>
> **Epsilon:** “Our value argument consists of two things. The first is that we do the right thing, set the right objectives and the right strategy to reach the objective and this is very difficult to turn into money. But the other side is highly connected to money: how we buy the media and that we very often calculate in euros because we’ve learned that it is euros the clients understand best. It opens their eyes to the fact that even a small difference in buying, for example, means a huge amount of money.”

In sum, we define *crafting the value proposition as the degree to which a salesperson builds up quantified evidence about the size of the market offering’s value opportunity in terms of its impact on the customer’s business*.

Communicating the value

The third dimension of value-based selling is the communication of the value proposition to the customer. According to the interviews, the most salient aspect of the sales communication is *the credible demonstration of the offering's contribution to the customer's business profits*. While any salesperson might claim to save money or enhance customer revenues, value-based sellers provide persuasive evidence for their value claims. Clearly value evidence acts as a powerful mechanism to reduce ambiguity regarding superior value for the customer (see Anderson & Wynstra 2010). The following quotes illustrate some approaches to credible value communication.

> **Gamma:** "The sales cycle is very long because there are so many components to it, it's not the features and benefits of a product, it's looking at the profile and application that the equipment would be running for, so it's very involved and it's very in-depth. If we do it correctly, we'll go through that process upfront, and when it comes to the end of the analysis and we present the information to the customer, you almost never have to ask for the order if it's really done correctly. Because as you build the value story, and as you explain to them and you show them all the value that you're bringing to the table, again, that value is being tailored to what's important to that customer, at the end of it, it really makes your offering really shine, and really shine brightly in a sea of competition. So you never really have to apply high pressure at the end, you never have to say, to press hard, you know, you make them three copies or what can we do to get you this equipment today, and that's the very opposite of the traditional sales model even for us in the equipment business."
>
> **Delta:** "But this is the issue, our conclusion has been that then it means we are really showing a lot of results and also how we have made the calculations in the systems sales side. And then you have to show how the product itself works, it seems that people believe it when they can see it."
>
> **Iota:** "Yes, economic value, absolutely. So for our product line for a customer, we have a number of instruments that have what I'll call workflow advantages, so they take less labor time, they may use less material in the operation of the instrument, etc. So what we're able to do is based on the customer's operating characteristics, we're able to translate that into economic value. And we have a standard tool that we've trained and rolled out to our sales force, so they can fit with the customer and say, you can buy the competing products or you could buy ours, and here's what we think the bottom line impact of our instrument is for you."

Our interviewees consistently stressed the need for openness in value communication. Open dialogue, transparency and trust are essential ingredients for demonstrating the long-term orientation in selling (c.f. Crosby, Evans, & Cowles, 1990; Jolson, 1997; Weitz & Bradford, 1999), and the credibility of the arguments presented.

> **Alpha:** "But of course with those other solutions, we need to look at alternatives openly together with the customer. That's one thing. We examine alternatives and of course we argue for our solution – but if it is not the right one for the customer at the moment then you need to agree openly on that, maybe it isn't the right time or the place. We're often convinced that in the long-run we are the right one. The clue here is to discuss openly at least one other alternative. Otherwise you don't get the customer's confidence in your solution. Actually, I would say that we always have to have one alternative. Then the customer really thinks his problems through and the opportunities when solving the problem."
>
> **Lambda:** "Very often or quite often this actually needs some input from the customer because some concepts that we develop today are such that if the customer is interested we probably have to sit down with an open book for two or three days to look at the facts and figures. That is hopefully the way we can demonstrate that we really can add value. If we do it in a transparent way, it becomes obvious that this is planned to be pretty long-term and both parties know that it's supposed to be a win-win situation. So I think that's an essential part – you need to be transparent with your customer. You need to open up and really get some facts on the table."

Respondents emphasized that credible communication in value-based selling should actively aim to reduce customer perceived risk. We identified two widely used risk reduction strategies in value communication. First, references can be used to demonstrate a history of past successes and evidence of the vendor's willingness and capability to deliver superior value (c.f. Jalkala & Salminen 2010; Salminen & Möller, 2006)

> **Kappa:** "I mean, in some cases it's more challenging to show what the real value is, if you are creating something like a multichannel system where any user may contact our customer by phone or send an e-mail and we generate the automatic system so that the e-mail or phone call goes to the right person immediately. There we have created very high customer satisfaction but it's very challenging to show that before you have delivered the system. […] There's a large difference between cases where you have a first time customer and you're doing something you've

never done before and on the other hand a repeat customer case when it is easier. References are the answer, I think."

Zeta: "References. So get the first reference from a good company and don't worry about the price, just get the reference. That's my instruction. We've been working now for over 10 years so we have, at the moment, 67 references around the world. So it's becoming easier all the time."

Second, companies emphasizing value-based selling were widely implementing guarantees to signal their credible commitment to delivering superior value. Bearing some of customer's risk was often regarded as the flip side of sharing the value pie.

Lambda: "We are prepared to share some of the risks with the customer. We are prepared to give certain guarantees. If I promise something, am really serious about it and believe in it, I'm going to demonstrate it by taking part of your risk. I think that is one of the most crucial things and I see us going more and more in that direction. Again I think it's doable for a company like us because we are starting to be so big that we can do it. If you have a basket of two hundred risk commitments it's a sample such that once you do it right it shouldn't be a burden really."

Alpha: "That is what we use to get the commitment: some kind of agreement, letter of intention. If you save so much, are you willing to do long-term business with us. That way you get some commitment to a longer contract or… Because we need their resources to come up with good results from the test anyhow. To get the people, equipment, time, they need to run the process differently with that kind of commitment. You write and sign a trial agreement but often we make the investment in trial equipment and take the risk of spending a lot of time, application engineers' and project engineers' time. Then we run six months or similar, or a year and then the final decision is made."

Beta: "And after the optimization has been done, they will get an optimized cost level which is due to shorter cycles. And then we only take some share from the savings. It's a win-win situation. And then we just guarantee it, after implementation, we send a bill every month to the customer for the amount that is ours. After one year or after three years, the customer gains everything."

In sum, *communicating the value proposition is defined as the degree to which a salesperson focuses on convincing customers that the proposed offering would impact their profit statement*.

Consequences of value-based selling

The analysis of the interviews led to the identification of three general types of potential consequences for value-based selling behaviors: seller related, relationship related, and customer related outcomes which can be realized both at the individual and organizational level, as presented in Figure 3 (c.f. Schwepker 2003).

--- INSERT FIGURE 2 ABOUT HERE ---

The first type of consequences relate to the *seller*. Value-based selling behaviors can potentially be linked to various aspects of salesperson performance such as unit and dollar/euro sales, conversion rate i.e. closing ratio, and selling at a higher profit as illustrated below. More specifically, the respondents acknowledged that understanding customers' business needs, crafting compelling value propositions that have the potential to improve customer business profits, and the credible demonstration of value, can significantly help customers make purchasing decisions, hence potentially improving the conversion rate. Also, value-based selling centers on finding and offering the best long-term solution for the customer's business, which shifts the focus of purchasing from cost-efficient purchasing activities to making business investment decisions. This should logically help to sell more profitable products and services. The broad adoption of value-based selling behaviors in the sales force further links these aspects of potential salesperson performance also to organizational sales performance.

> **Gamma**: "We do lead in price, are certainly the most expensive, and I know we want to talk about the value-selling piece here."…"Yes, there are many positive benefits and the best and easiest way to explain what those are comes in the form of market share, in deals that we're winning against our competitors."

> **Delta**: "The specification rate has increased, of course we don't know whether they will turn into orders or not, but first you have to feel the promotions, then specifications and then the quotation. And that has already increased if you compare to last year. So it looks good."
>
> **Zeta**: "When I've been looking, we really haven't lost, practically no projects in Europe in the last two years. There are just so few lost projects. We have lost maybe one or two, or one or two were ended."

Secondly, the results indicate that value-based selling behaviors will potentially have *customer related outcomes*. Respondents commonly expressed the view that value-based selling behavior can facilitate value creation with customers, and eventually help them better to attain their business goals and business performance, as demonstrated in the results section. Thirdly, interviewees point out that selling resulting in superior customer value may have *relationship related outcomes* both at the interpersonal and organizational level as illustrated below.

> **Gamma**: "We believe that by doing that, by selling 18 trucks to that customer today instead of 20, we will be in that business relationship with that customer for 20, 30, 40, 50 years from now. And the other thing that is a unique benefit that we seem to be getting along the way here, we may win a deal and if we do it as I'm suggesting, this new vision or this new way of promoting this value, what is happening is we are building more customer loyalty through the process of the proposal than I believe you normally would in a traditional sales cycle."
>
> **Lambda**: "We have been measuring customer satisfaction for ten years, very systematically and annually we get one thousand five hundred customer replies. There are a lot of different questions actually, so already today we know that the most satisfied customers we have are those with whom we have long-term value-based agreements. They are by far the most satisfied ones. Moneywise they also, by far, spend more than other customers. There is a clear correlation there."
>
> **Beta**: "And yes, the relationship comes when the customer understands how good we are, once we get in it's easier to be there and easier to give them solutions. Before we get really in, if we haven't done well in the project, they're discussing every hundred euros, the price of a sensor. After we have completed a good project they just say, yes, send us a sensor."
>
> **Zeta**: "Satisfaction has been good. We've had, as I said, 67 projects and maybe three or four customers who have not been fully satisfied, but that's quite normal."

> **Kappa**: "If the salespeople have promised something, value which is important to a customer, and it's really been the right value they needed, and you succeed, then you get much more business with that customer because they see that you can help him to survive, grow or be more efficient. We have shown that after the first case has been successful, you get much more, and in some cases you get at the same time some more because they see that you can deliver what you have promised. I think that the outcome is different."

More specifically, relationship outcomes refer to issues such as satisfaction, loyalty and relationships, eventually a share of the customer's wallet together with reduced price sensitivity on the customer's part.

Discussion

Implications for Theory

From a theoretical perspective, this manuscript integrates customer value and personal selling research, enriches the value-based theory of marketing (Slater, 1997), fosters our understanding of sales and firm effectiveness, and facilitates future research on both the successful implementation of marketing strategies and salespeople's value orientation. Further, the concept of value-based selling is aligned with value co-creation logic presented in the literature, creating new knowledge on the topic at salesperson level (c.f. Grönroos 2008; Vargo & Lusch 2004).

The conceptualization of value-based selling developed in this study refers to working with the customer towards crafting a market offering in such a way that translates the benefits into monetary terms based on an in-depth understanding of the customer's business model. This allows for a persuasive demonstration of the seller's contribution to customers' profitability. Understanding and demonstrating how a co-created offering affects the customer's business both lie at the heart of value-based selling. Hence, the construct's domain reaches far beyond both the *breadth* and *depth* of other constructs that partly touch on value-selling behaviors, as shown in Table 1. We believe that this construct should be highly relevant in current B-to-B selling contexts, especially in situations where suppliers need to emphasize value-added services and complex solution offerings.

Scholarly research in both marketing and sales has acknowledged the importance of customer value as a key constituent in facilitating exchange in buyer-seller relationships. However, research on how to implement a firm's customer value orientation at the operational level and, consequently, how this implementation relates to organizational performance, is still at an early stage (Woodruff 1997). At the sales force level in particular, more knowledge is needed to (a) understand how organizational value orientation translates into individual salesperson behaviors, and (b) investigate how these behaviors affect performance levels (Rackham and DeVincentis (1999). Against this backdrop, our research makes several important contributions leading to both academic and managerial implications.

From a theoretical perspective, we first identify three important dimensions of value based-selling i.e. understanding the customer's business model, crafting the value proposition and communicating value to customers. We investigate the meaning of each of these three dimensions and provide a comprehensive definition of value-based selling behavior.

Second, from a nomological perspective, our research shows that value-based selling represents a unique construct, translating a firm's customer value orientation at the individual salesperson's behavioral level. Its conceptual breadth and depth goes beyond existing sales behavior constructs related to customer value. The construct thus takes in distinct, yet related, facets of salesperson behavior not covered, or only partially touched upon, by the six other value-related sales approaches i.e. consultative selling, partnering oriented behaviors, relationship selling, adaptive selling, and customer oriented selling in sales research.

Third, our findings further identify interesting potential outcomes of deploying value-based selling in business markets. The participants in our research identified multiple consequences in three distinct, yet complementary areas; these are seller related outcomes, customer related outcomes, and relationship related outcomes.

Managerial Implications

Our findings provide not only insights into the nature of value-based selling, but also serve as a basis for developing managerial guidelines regarding the specific sales capabilities and resources required to implement a value-based selling approach successfully. The expertise needed by individual salespeople reaches far beyond the skills generally described in the literature. For example, developing a fine-grained understanding of a customer's business model, the ability to demonstrate how the vendor's offering precisely impacts customers' key performance indicators, and explicating in quantitative terms how customers will benefit from a supplier's offering, all represent examples of a very specific skill set needed to practice value-based selling in business markets.

Beyond the individual salesperson level, firms are also well advised to invest in organizational resources and mechanisms for sales support that enable salespeople to practice value-based selling. For example, each dollar invested in acquiring strategic data about customers, their operations and respective business models, serves as a valuable asset for crafting better value propositions. Similarly, building internal value documentation tools allows the sales force to communicate value to customers more effectively.

Finally, by initiating institutional ties between both the customer and vendor organizations, i.e. by establishing joint steering committees, managers can actively facilitate value co-creation as a solid basis for practicing value-based selling.

The development of value-based selling skills and the allocation of the required resources will not come without conflict. For example, value-based selling complements other sales approaches rather than wholly replacing them. As sales contexts vary across segments and individual customers, vendors are challenged to manage alternative sales approaches simultaneously. Similarly, sales executives face the challenge of having to manage a diverse portfolio of sales reps excelling in different sales approaches and displaying different behaviors. As a consequence, implementing and integrating value-based selling into a broader set of sales approaches requires that firms develop mechanisms of conflict resolution and change management within the sales organization.

Limitations and Future Research Directions

As is the case in any research project, our study design is subject to several limitations, some of which offer fruitful avenues for research. First, our research is explorative in nature employing qualitative data from in-depth interviews. Hence, a natural next step would be to develop and empirically test a reliable and valid scale for value-based selling, leaning on cross-sectional survey research data. In addition, survey data could be combined with actual behavioral outcome measures to investigate how value-based selling techniques impact actual salesperson performance outcomes.

Second, in our research, we relied on key informants in vendor organizations. This approach has two important limitations. On the one hand, while we exercised great care in selecting informants and ensuring their reliability and competence in providing insights, it would be helpful to triangulate the perceptions of sales managers with those of front-line sales reps. On the other, it would also be interesting to contrast vendors' perspectives with customers' views on value-based selling. Therefore, qualitative interviews with salespeople and customer representatives would complement our study design. Collecting dyadic data from multiple actors within both customer and supplier organizations could potentially deepen our insights on value-based selling.

Future studies should further address the topic of contingency factors affecting the implementation of value based selling. Our interviews indicate that value-based selling behavior is probably not an effective selling approach for all situations. First, several interviewees indicated that not all salespeople are suited for practicing value-based selling. This indicates that value-based selling is likely to be contingent on selling skills similar to adaptive selling (cf. Plouffe et al. 2009). Secondly, the value-based selling is likely to be effective only when sellers can differentiate themselves sufficiently from competition. The focus on customers business needs instead of expressed needs can help in the differentiation from competition (cf. Slater, Narver and MacLachlan 2004, 336) and the complex, sophisticated solutions are also likely to have good potential for differentiation. Thirdly, value-based selling is not likely to be suited for all customer types. Several respondents emphasized the need to differentiate customers characterized by a long-term purchasing orientation and a focus on the value resulting from using the offering from those customers that adopt a short-term focus and arm-length price negotiations (c.f. Grönroos 2008, p. 309). As managers explained, value-based selling appears to resonate well with customers emphasizing a cooperative orientation, exchange of information and long-term achievements. In turn, participants also mentioned that a focus on short-term results and a reluctance to share information represent barriers to implementing value-based selling. It is also noteworthy that different stages in buyer-seller relationships may be more or less supportive of value-based selling behaviors. For example, several managers explained that value-based selling may not be fully effective in situations where a customer has already moved into a formal tendering process with highly restricted buying definitions. This can be a challenge especially when the offering is not close to the core business of a customer. Rather, value-based selling appears as an effective and efficient approach at earlier stages of the buyer-seller relationship.

Finally, given the early stage of research on value-based selling, we have identified a need for more research investigating how value-based selling relates to other prominent sales approaches, such as consultative selling and relationship selling. A better understanding of these interactions will not only enable the advancement of scholarly knowledge in this domain, but also help firms make better decisions regarding recruitment, training, motivating, rewarding, and leading salespeople. Although these limitations, and potential research avenues, must be borne in mind when considering our results and their implications, we hope our findings provide new insights for academics and practitioners alike.

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TABLE 1

Overview of Value-Related Salesperson Behaviors

Sales-person behavior	Author(s)	Definition	Key contents of the constructs	Type of research, Empirical measure
Adaptive selling	Weitz, Sujan, & Sujan (1986); Spiro & Weitz (1990)	"the altering of sales behaviors during a customer interaction or across customer interactions based on perceived information about the nature of the selling situation"	1) Recognition that different selling approaches are needed, 2) Confidence to use a variety of different sales approaches, 3) Confidence to alter the sales approach during a customer interaction, 4) A knowledge structure that facilitates the recognition of different sales situations and access to sales strategies appropriate to each situation, 5) Collection of information about the sales situation to facilitate the adaptation, 6) Actual use of different approaches.	ADAPTS-scale (one-dimensional)
Agility selling	Chonko & Jones (2005)	"focuses on maintaining relationships on a daily basis by being in a position to proactively determine current and future customer needs"	1) The ability to respond to changes in proper ways and in due time, 2) The ability to exploit changes and take advantage of them as opportunities.	Conceptual, no scale
Consultative selling	Liu & Leach (2001)	"process of professionally providing information for helping customers take intelligent actions to achieve their business objectives"	Credibility: 1) Perceived expertise, 2) Trusting the salesperson	No direct scale exists, approached indirectly with trust and expertise

Customer oriented selling	Saxe & Weitz (1982)	"degree to which salespeople practice the marketing concept by trying to help their customers make purchase decisions that will satisfy customer needs"	1) Desire to help customers make satisfactory purchases, 2) Help customers assess their needs, 3) Offer products that satisfy those needs, 4) Describe products accurately, 5) Avoid manipulative influence tactics, 6) Avoid use of high pressure.	SOCO-scale (two separate dimensions: selling and customer orientation)
Partnering oriented behaviors	Weitz & Bradford (1999)	"work with their customers and their companies to develop solutions that enhance the profits of both firms (…) [by devoting] their attention to 'increasing the pie' rather than 'dividing the pie'."	Key activities in partnering: 1) Building and maintaining customer relationships, 2) Organizing and leading a sales team, 3) Managing conflict	Conceptual, no scale exits
Relationship selling	Crosby et al. (1990)	"refers to a behavioral tendency exhibited by some sale representatives to cultivate the buyer-seller relationship and see to its maintenance and growth"	1) Co-operative intentions, 2) Mutual disclosure, 3) Intensive follow-up	Second-order scale with three dimensions
	Jolson (1997)	"focuses on the building of mutual trust within the buyer/seller dyad with a delivery of anticipated, long term, value-added benefits to buyers"	Relationship selling is a multi stage process that emphasizes personalization and empathy in both acquiring and keeping customers	Qualitative study, no scale exits

TABLE 2

Profiles of companies and managers participating in the study

Firm	Job title*	Industry	Turnover	Employees
Alpha	Sales Director	Gases	150 M€	350
Beta	CEO, Sales	Cleaning systems optimization	0.5 M€	10
Gamma	Sales Manager	Heavy construction and mining equipment	600 M€	1000
Delta	Sales Director	Ventilation and air handling	670 M€	3500
Epsilon	Account Director, Sales	Media planning and purchasing	36 M€	25
Zeta	Sales and Marketing Director	Paper machine parts, solutions	10 M€	10
Eta	CEO, Sales	IT solutions for paper manufacturing	1 M€	7
Theta	Business Development Manager, Emerging Markets	Elevators and escalators	9000 M€	43400
Iota	Vice President, Global Strategic Pricing	Medical imaging and diagnostics equipment	17200 M€	49000
Kappa	Vice President	Media and telecom services	200 M€	3000
Lambda	Vice President, Sales & Marketing	Marine and energy services	1800 M€	11000

FIGURE 1

The Firm, Customer, and Mixed Perspectives of Value Research

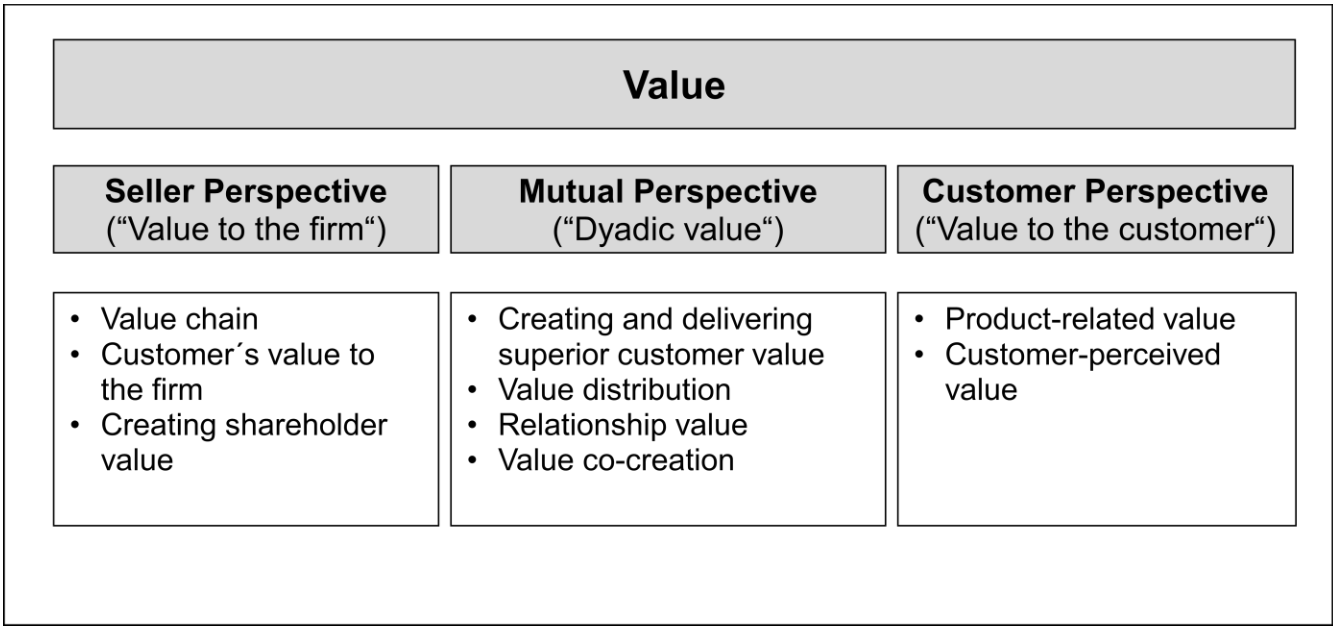
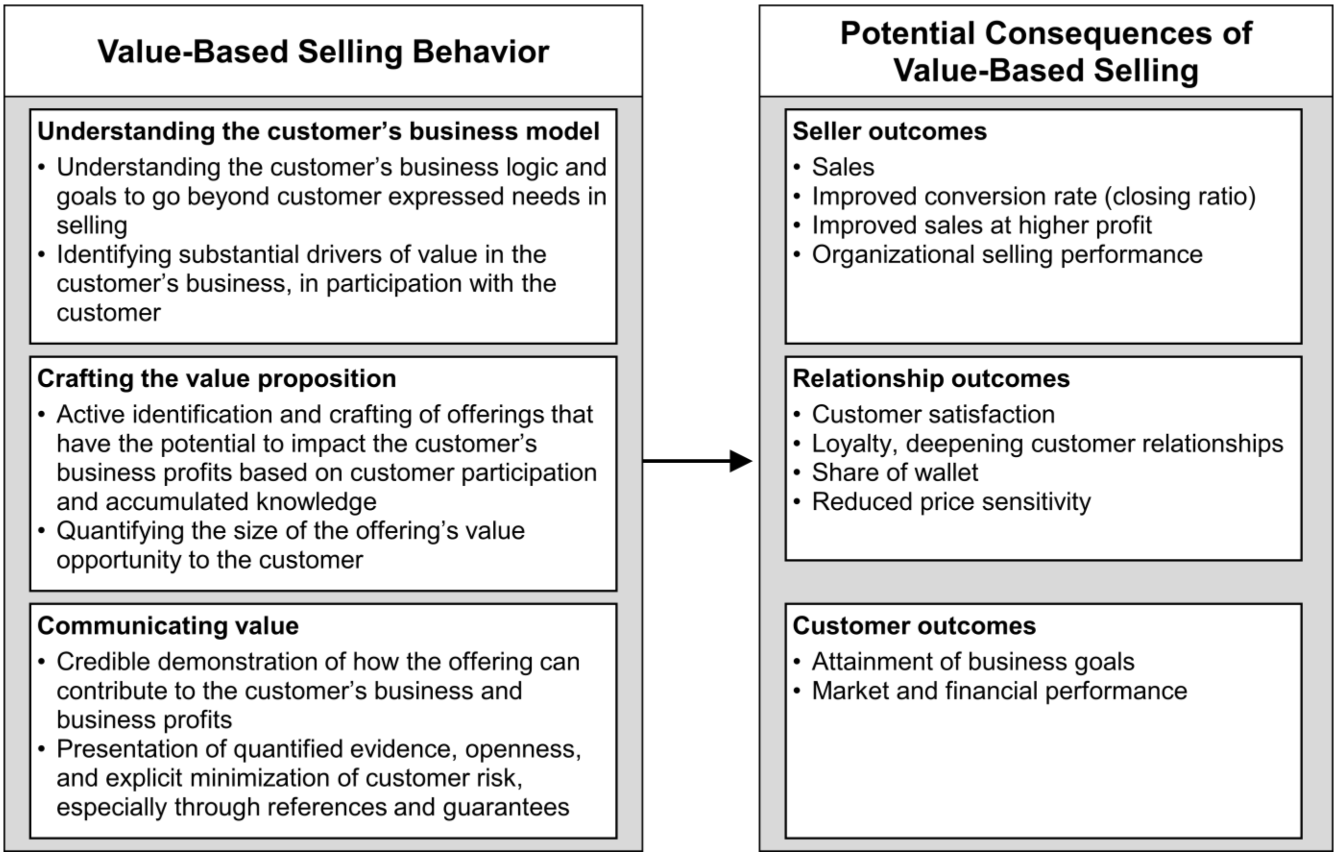


FIGURE 2

Conceptualization of Value-Based Selling and its Potential Consequences



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