

**The use of grounded theory in sales research:  
Identifying sales-related factors affecting retailer cooperation**

**Abstract**

This paper provides an illustration of the implementation of grounded theory within the sales field.

The paper provides a brief review of the grounded theory approach to qualitative research, including key differences between the Glaserian and Straussian approaches. It then provides an explanation of how the Straussian approach was implemented in the reported study, focusing on data collection, coding, data analysis and development of conceptual models. Findings of the reported study, including an emergent model identifying factors affecting channel cooperation within the German FMCG market, are discussed. Finally, the implementation of grounded theory within this study is assessed relative to a set of recognised criteria.

**Key words:** Grounded theory; Channel management; Relationship selling; Retailer cooperation

There is broad agreement that the application of appropriate and rigorous qualitative methods is essential if researchers are to obtain valid understanding and develop appropriate theory in areas not yet researched in depth (Binder and Edwards, 2010; Goulding, 2005). Grounded theory constitutes one qualitative method which appears to provide the required rigour (Goulding, 2005). Although ‘a popular approach in industrial marketing research’ (Wagner, Lukassen and Mahlendorf, 2010, p. 5), grounded theory has been employed in very few reported studies within the sales field (Geiger and Turley, 2003).

There has been much controversy about grounded theory over the past two or three decades. Firstly, there has been a major argument about methodological issues between the two researchers often considered to be the founders of ‘grounded theory’: Barney Glaser and Anselm Strauss (Glaser, 1992; Heath and Cowley, 2004; van Niekerk and Roode, 2009). Secondly, there have been assertions that qualitative research purportedly based on grounded theory often falls far short of the rigour of that approach (Glaser, 1992; Goulding, 2005; Wagner *et al.*, 2010). Therefore, it appears appropriate to provide an illustration of an effective implementation of grounded theory within the sales field.

### **Grounded theory**

The initial development of grounded theory is attributed to Glaser and Strauss (1967). Grounded theory is ‘systematically obtained through “social” research and is grounded in data’ (Goulding, 1998, p. 51). Offering ‘new strategies for the generation of sociological theories’ (Wagner *et al.*, 2010, p. 7), grounded theory has been used successfully for more than four decades ‘as a method for systematically gathering and analyzing data’ (Suddaby, 2006, p. 636) in a wide range of disciplines, including marketing (Goulding, 2005).

There are now two accepted schools of grounded theory: the purely inductive approach of Glaser, and (in effect) the mainly abductive approach of Strauss—and, later, Corbin and Strauss (Reichertz, 2010). There are two major differences in these approaches. First, there is a difference regarding the verification of grounded theories: whether new theories should be developed, or whether these new theories also should be tested or verified. Strauss (and Corbin and Strauss) includes inductive and deductive approaches within grounded theory and, therefore, also includes the verification of new theories (for example, by contrasting a newly-developed theory with the existing literature). Conversely, Glaser excludes verification of new theories developed through grounded theory (Strübing, 2008).

Second, there is a difference regarding prior theoretical knowledge. Initially, Glaser and Strauss (1967) suggested that, within the grounded theory approach, theory is derived from data, and prior theoretical knowledge would contaminate emerging categories and reduce the researcher's sensitivity. Strauss later argued that prior theoretical knowledge flows into the data analyses and, furthermore, that development of theory is always theory-driven since prior theoretical knowledge also facilitates identification of effective questions (Reichert, 2010).

An underlying concept of grounded theory is the constant 'comparative analyses' (Glaser and Strauss, 1967), in which phenomena, evolving from the data, are repeatedly tested against new and older data, until a 'grounded' theory develops (Przyborski and Wohlrab-Sahr, 2008; Strübing, 2008). Analysing the emerging data is a critical step within grounded theory (Charmaz, 2004).

The grounded theory process itself is illustrated in Figure 1. Following development of the research question(s), the process involves data collection, and coding and analysis—in a recursive manner until emerging categories are saturated and data collection is terminated; development of a (new) theory that is grounded in (and emerges from) the data; and, in the case of the Straussian version, comparison of that new theory to existing theories (Wagner *et al.*, 2010).

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Commencing after the first interview, data are analysed and open coding is commenced, with initial codes being developed to represent initial concepts (Carson, Gilmore, Perry and Gronhaug, 2005; Corbin and Strauss, 2008). Concurrently, coding memos are written, which

comprise notes, ideas or even initial theories (Breuer, 2009; Corbin and Strauss, 2008). Axial coding is also undertaken, in which the researcher attempts to link codes, develop categories (and sub-categories) and assign previously-identified codes to those categories (Breuer, 2009; Corbin and Strauss, 2008). Finally, selective coding is undertaken, in which key categories are developed and existing codes are reviewed in the context of those key categories (Breuer, 2009; Carson *et al.*, 2005; Przyborski and Wohlrab-Sahr, 2008). The result of selective coding is a pre-formulated grounded theory.

Grounded theory clearly requires substantial coding and analysis of empirical data. With the development of software such as *NVivo*, data now can be efficiently organised, retrieved, coded and analysed; very large volumes of data can be accommodated within studies; and complex searches within data sets are possible (Bringer, Johnston and Brackenridge, 2004). However, substantial intellectual effort still is required during the coding, analysis and theory development stages (Reichertz, 2010).

### **Implementation of grounded theory to a sales research study**

The following constitutes an illustration of the application of the Straussian approach to grounded theory within the sales environment. The study was aimed at identifying sales-related factors enhancing a FMCG manufacturer's ability to implement its preferred marketing strategies at major retail chains.

The study focused on relationships between fast-moving consumer goods (FMCG) manufacturers and large retail chains in Germany, an economy in which the retail industry has become highly concentrated (TradeDimensions, 2009). This concentration has resulted in negotiating leverage and substantial channel power for large retail chains. The large retail chains frequently use their channel power and aggressive negotiating tactics to obtain favourable wholesale terms from FMCG manufacturers (Geylani, Dukes and Srinivasan,

2007). Consequently, it has become difficult for many manufacturers to ‘manage’ their large retail partners or to implement their preferred marketing strategies.

While there have been studies of the role of key account management (KAM) and the sales force in managing customer relationships within business-to-business marketing environments, there have been no studies focused on the FMCG manufacturer—retail chain interface.

Therefore, from both research and managerial perspectives, it seemed important to extend our knowledge of the potential influence of account management and other sales strategies on the relationships of FMCG manufacturers with their marketing channel partners.

### **Literature review**

Within the grounded theory approach, there is a need to undertake a review of the literature prior to data collection (Suddaby, 2006), while avoiding the risk of becoming biased and, in effect, testing existing theory rather than generating new theory (Glaser, 1992). Therefore, a review was undertaken of the relevant theories to stimulate the identification of concepts for consideration within the study and in the development of formal theory (Glaser and Strauss, 2008). A shortened version of the literature review is presented here for illustrative purposes.

#### **Trend toward relationship selling**

Globalisation of business, increasing levels of competition and increasingly demanding customers have resulted in the replacement of transaction-oriented selling approaches by relationship-oriented approaches characterised by high levels of personal involvement, joint actions and long-term commitment (Razzaque and Tan, 2003). The focus is long-term since ‘longevity of the relationship’ provides *buyer* and *supplier* ‘financial rewards from coordinated strategic investments’, and provides the seller with ‘greater insight into the

buyer's latent needs' (Slater and Olson, 2000). Specifically, the need for a change in behaviour of some FMCG manufacturers is supported by Skytte and Blunch, who argue that 'retail buyers no longer focus on the four Ps (as these are taken for granted)' (2001, p. 144).

### **Channel relationships**

Satisfaction has been defined as 'a channel member's positive affective response' to both 'the economic rewards that flow from the relationship with its partner, such as sales volume and margins', and 'the noneconomic, psychological aspects of its relationship, in that interactions with the exchange partner are fulfilling, gratifying, and easy' legislation' (Geyskens, Steenkamp and Kumar, 1999, p. 224). Both channel members must perceive, in a subjective way, satisfaction within the relationship. Sales channel satisfaction is important, since 'satisfied channel members are less prone to exit the channel' or to undertake other forms of negative behaviour toward a channel partner (Geyskens *et al.*, *ibid.*, p. 223).

Positive relationships have been found between channel cooperation and channel performance, and between channel performance and the retailer's satisfaction in a supplier; while a negative relationship was found between channel performance and channel conflict (Vijayasathy and Robey, 1997). Satisfaction also has been linked to financial channel performance, specifically (Siguaw, Simpson and Baker, 1998).

It has been suggested that mutual manufacturer–distributor dependence on resources and capabilities, and compatibility or congruence of goals and culture create 'a favorable environment for cooperation', and encourage commitment and cooperation among channel partners; while mutual trust, information exchange and reciprocal commitment contribute to 'the efficient day-to-day working of manufacturer–distributor cooperation' (Vázquez, Iglesias and Álvarez-gonzález, 2005, p. 128). Anderson and Narus (1990, p. 45) assert that, 'once trust is established, firms learn that coordinated efforts will lead to outcomes that exceed

what the firm would achieve if it acted solely in its own best interest'. It also has been found that customer satisfaction with, and trust in, a channel relationship, and cooperation have positive effects on the manufacturer's financial performance Langerak (2001).

The influence of trust on customer cooperation has been discussed extensively by prior researchers. In particular, Anderson and Narus (1990) have found that cooperation leads to trust, while Morgan and Hunt (1994) and Hwang and Burgers (1997) have found that trust leads to cooperation. These contradictory findings suggest there is a need for further research to better understand the inter-relationships of these factors.

### **The sales role within channel management**

Prior research has identified sales-related factors having the potential to influence customer responses and other organisational outcomes. First, there appear to be linkages between salesperson attributes, salesperson attitudes and behaviour, salesperson outcomes and, finally, sales organisation outcomes (Baldauf, Cravens and Grant, 2002). Second, a salesperson's level of job satisfaction and understanding of the importance of a customer have been found to influence the level of 'customer-focused helping behavior' provided to that customer, which in turn influences the level of trust the customer has toward the supplier (Bradford, Crant and Phillips, 2009).

Third, appropriate sales force organisation strategies are required to ensure development of effective relationship selling approaches (Hunt, 1997; Piercy and Lane, 2006). Similarly, sales force organization strategies, including customer service quality standards, for example, would provide direction to the sales force regarding appropriate levels of customer commitment and conflict handling. Moreover 'many companies are seeking to achieve competitive advantage and bring stability to their operations by forming strategic alliances with customers' (Millman and Wilson, 1995), often through KAM.

KAM requires more than just superior relationship management. Manufacturer–retailer relationships must provide partners with a source of competitive advantage, possibly resulting from access to resources superior to those available to competitors. Those resources ‘can be either tangible (e.g., the offerings a retailer has on its shelves) or intangible (e.g., the knowledge and skill that a selling team brings to its key customer)’, and can include ‘informational resources’ and ‘relational resources (e.g., access to the relationships that a partner has with other firms)’ (Arnett, Macy and Wilcox, 2005, p. 30).

### **Corporate image and brand attractiveness**

It has been suggested that the corporate image of a supplier is a factor influencing a retailer’s willingness to select that supplier (Hansen and Skytte, 1998; Sheth, 1980). Corporate image includes the supplier’s ‘business practices’, product quality, and ‘country of origin’, since some countries are associated with high or low quality or reliability (Sheth, 1980, p. 7).

The market-based assets of a brand and the promotion of those to the retailer clearly could influence the retailer’s willingness to stock the brand and to cooperate with the manufacturer. That influence has been explained as follows by Webster (2000; pp. 18-19):

*For resellers, manufacturers’ brands also offer established consumer demand, favorable consumer attitudes toward the branded products found in their stores, a commitment from the manufacturer to promote the product, and the credibility and image of the brand itself as enhancements of the retailer’s credibility and image ... . Clearly, the relationship of the brand and the consumer is an important part of the relationship between the manufacturer and the reseller. ... When the retailer offers its own store brands and private labels ... there is clearly competition between the retailer and the manufacturer ... . But this may not be a zero-sum game ... . For example,*

*proprietary research by one manufacturer found that strong manufacturer brands can lead to higher sales of store brands as well by building store traffic.*

### **Research question**

Given the concentration of retail chains and the loss of negotiating power experienced by FMCG manufacturers, the research question was framed as follows:

*How can FMCG manufacturers improve outcomes in situations of adverse channel power?*

### **Methods**

Prior to deciding upon a specific Ph.D. topic, the principal researcher conducted an extensive review of the literature relating to relationship selling and buyer–seller relationship within business-to-business marketing environments. The review also identified increased challenges for manufacturers due to concentration—and increased buying power and negotiating leverage of emerging dominant customers—within some markets. Finally, the review also identified the absence of reported studies relating to how manufacturers were responding to the increased buying power and negotiating leverage of major retail chains that now exist in most western economies. Indeed, there appeared to be no existing theory regarding the role of the sales force in responding to the emergence of dominant retail channel partners.

Therefore, it was considered necessary to develop new theory—a task for which grounded theory appeared to be the most appropriate research method. The appositeness of the subsequent adoption of grounded theory is reinforced in the following assertions by Gummesson (2001, p. 36):

*I consider the systematic work to achieve grounded theory the most complete and balanced method available. Today it is one of the most frequently cited methods in the social sciences literature. Grounded theory concepts and guidelines are not necessarily new or unique but they have been put in a context and reached a high degree of completeness combining theoretical sensitivity, memos, comparative analysis, theoretical sampling, saturation, open and selective coding, the identification of core variables, and the generation of substantive and formal theory.*

Following the literature review, the focus of the study was changed somewhat—and became a study of a situation (or phenomenon) that seemed to have been completely unexplored. While the initial literature review is inconsistent with the Glaserian approach to grounded theory (Glaser, 1992), Corbin and Strauss (Corbin and Strauss, 2008) argue that a review of relevant literature is appropriate since it can assist in identifying initial research questions, theoretical concepts and appropriate approaches to theoretical sampling. As suggested by Goulding (2005, p. 296), this ‘involves a delicate balancing act between drawing on prior knowledge while keeping a fresh and open mind to new concepts as they emerge from the data’. During subsequent data collection and analysis, every attempt was made not to allow prior theoretical knowledge to influence the conduct of interviews, coding or interpretation.

The study adopted grounded theory according to Corbin and Strauss (1990, 2008), involving a mix of deduction and induction—in effect, abduction (Strübing, 2008). Such an approach seemed appropriate since ‘pure induction might prevent the researcher from benefiting from existing theory’, while ‘pure deduction might prevent the development of new and useful theory’ (Perry, 1998, p. 789). In addition, ‘a deductive framework/conceptualization may be derived from a literature analysis and this may be evaluated empirically and inductively to allow new insights to emerge’ (Carson, Gilmore, Gronhaug and Perry, 2001, p. 12).

Prior to data collection, pre-study interviews were conducted within the automotive industry to enable the researcher to become more familiar with the process of preparing for interviews, conducting interviews, 'memo' writing and initial data analysis. The automotive industry was chosen due to the availability of existing contacts and the highly concentrated nature of the industry. The learning derived from this pre-study ensured that (later) interviews with participants from the FMCG industry were conducted appropriately and effectively, without any early interviews with those participants being sacrificed due to errors caused by a lack of interviewer experience. This approach is supported by Carson *et al.* (2005), who note that later interviews can be improved by the researcher reflecting on experiences during early interviews. (Given expected difficulties in participant recruitment from within the FMCG industry, mainly due to the confidentiality of the research topic, it was considered important not to sacrifice any interviews with FMCG participants as part of the researcher's learning process.)

In this study, snowball sampling was used as a means of identifying potential participants (who were likely to be inter-connected within the industry) and to improve recruitment response rates through recommendations by earlier participants (Engel and Schutt, 2010; Przyborski and Wohlrab-Sahr, 2008). Snowball sampling is a type of purposeful sampling, in which the researcher seeks further participants who are able to discuss issues (codes) emerging during continual data analysis (Morse, 2010). Recruitment was ended when interviews neither identified new issues nor provided different views about existing issues, so that saturation had been reached and sampling may be ended (Corbin and Strauss, 2008).

This approach was consistent with the requirement for 'theoretical sampling', which involves recruitment of participants with knowledge of different aspects of the issues under investigation (Corbin and Strauss, 1990).

It is recommended that grounded theory interviews should commence with sensitising questions, such as ‘What is going on here: that is, issues, problems, concerns? Who are the actors involved how do they define the situation?’ (Corbin and Strauss, 2008), and ‘What is the chief concern or problem of the people in the substantive area, and what accounts for most of the variation in processing the problem?’ (Glaser, 1992, p.4). In this study, initial interviews started with questions such as ‘How do you sell to major retail chains? What are your major challenges? What causes problems in sales processes?’, to obtain an overall understanding. In later interviews, after developing initial concepts, questions were refined, for example, to ‘How do you generate cooperation?’, to uncover variables influencing core concepts.

Interviews lasted between 60 and 120 minutes, yet often had to be terminated before some questions could be answered in detail since interviewees answered very openly and in great detail. Whenever possible, interviews were recorded, and immediately transcribed and analysed. Memos also were made during interviews. For interviews that could not be taped, the memos were imported into the data analysis software (*NVivo*). Breuer (2009) points out that the question of how to transcribe is not a trivial one. In this study, transcription rules were kept simple as the researcher conducted the interviews himself and could fall back on memos taken during interviews. A word-by-word transcription was chosen as appropriate.

All coding (as well as all interviews) was undertaken by the principal researcher, since ‘coding constantly stimulates conceptual ideas’ (Holton, 2010, p. 24). *NVivo 10* was used for all data analysis.

## Findings

### Participant demographics

The study involved 20 semi-structured interviews with two consultants and 18 managers of 14 major FMCG manufacturers in Germany. Twelve of the 14 firms are among the largest 100 retail suppliers in Germany and account for about 20% of the total sales revenue of that group. All participants had several years of relevant work experience. Their current positions covered a broad range, namely, business development manager, category manager, customer service director, field sales force manager, key account manager, sales director—in addition to the two consultants.

### Summary of findings

Analysis of data from initial interviews confirmed that the retail industry had experienced *major changes* due to development of new technologies, changes in consumer behaviour or re-structuring of retail chains, requiring enduring changes to FMCG manufacturers' sales-related strategies. Following are representative excerpts from interviews, illustrating some of the interview content (translated from German by the principal researcher):

*The recently biggest re-structuring, where we had to adjust, took place as customers merged, new cooperation between customers or the termination of those cooperations. (Company A, Market Strategy & Planning Manager)*

*We change and we do have permanent new challenges. The [sales] structure I am presenting here looked completely different five years ago. (Company G, Sales director)*

The following comment illustrates the view that pursuit of manufacturers' goals is only possible by *involving, or working with, the retailer*:

*We want to grow commonly and profitably faster than competitors and generate market share, it is our priority to generate profit turnover and maximize market share, but that is only possible if I let the retailer participate. (Company C, National Account Manager 2)*

*Behind that [business model], there is a basic philosophy that if I am able, together with the customer [retailer], and that is where the first time the word collaboration comes in, to develop plans which favor the sales of my products at the consumers, then automatically my business rises. (Company A, Market Strategy & Planning Manager)*

Cooperation and the experience of its positive outcomes assist routine business interactions, and also facilitate the handling of problems through the attitude identified by this excerpt:

*Let's talk about it instead of punishing one another. (Company C, National Account Manager 1)*

Participants were later asked to identify and discuss factors influencing manufacturers' and retailers' **willingness to cooperate**. First, findings indicate that manufacturers must have some basic competencies for cooperation by retailers to be worthwhile. For example:

*What's the sense of a brand if it is permanently out of stock or delivery service is low? ... some basic conditions must be fulfilled such as terms of payment or logistic requirements. (Company I, Corporate Director)*

Second, some conditions must be fulfilled by retailers as well as manufacturers. From a manufacturer's viewpoint, **the outcome of cooperation must be worth the investment**; both parties must be interested in a win-win situation. This is illustrated in the next excerpt:

*We presented the project to several retailers. Some declined fully, while others wanted to get paid for it. ... But that's the wrong approach, because we do not create projects and ideas that provide only the retailer with more earnings. Why should I pay for the retailer to make*

*more money? But some customers saw the potential. Twelve months after implementing the project, the other customers noticed that they had lost [market share] in the category and the other retailer had won at their expense. This [situation] sometimes changes the mind of other customers and they come back and ask for an equal project. (Company C, Senior Category Manager)*

Third, we identified ***cooperative attributes*** influencing the willingness of a manufacturer or retailer to engage in cooperation, such as the manufacturer's size, reputation and competency, and common goals and interests of the manufacturer and retail chain. For example:

*Thanks to our sensational reputation it often happens that retailers ask us for an appointment and tell us that it is time to check numbers again.*

*The size of the supplier is a door-opener from a retailer's point of view. (Company D, Category Manager)*

*This is not a long-term partnership, because then he will look for the next 'partner' where he [retailer] will make savings until he [manufacturer] dies, ... meaning that you [manufacturer] have to choose your partners, meaning that you have to develop an internal strategy how to choose partners, which criteria are important to evaluate who could be a good partner. (Company F, Sales and Business Development Manager)*

Another set of factors encouraging cooperation could be categorised as ***information and propositions of relevance and interest to the retail chain***; or the manufacturer's ability to provide information, competencies and solutions that the retail chain does not have but that support the retailer in attaining its goals. This is illustrated in the following excerpts:

*... not to go off the rails, especially as smaller manufacturer, you can only survive if you are innovative and faster than all others and you provide more attractive solutions toward retail customers which support them (Company G, Sales Director)*

*You must be interesting to get appointments at retailers (Company F, Sales and Business Development Manager)*

*You must offer him [retailer] something that he wouldn't have without you, because cooperation is only interesting for him if he gets something extra. (Company C, Senior Category Manager)*

At the product level, such ability could be manifest by the manufacturer providing new products of interest to final consumers and offering higher margins to the retailer. Within the field of category management, this could involve providing services which the retailer lacks, such as the re-design of shelf-space to raise the average buying volume per consumer and per shopping event (visit).

It also was found that **trust** is essential in developing long-term partnerships and cooperation. Several factors influence the development of trust, including manufacturer behaviour—such as business principles, authenticity, consistency, honesty, continuity [reliability] and transparency—and a relationship selling orientation of the sales force.

*Transparency is a K.O. criterion ... for a relationship, as soon as there are second guesses it is over. (Company F, Sales and Business Development Manager)*

*The only way to establish trust is to act consistently. (Company C, Customer Service Director)*

This has implications for **organisational coordination and structure**, so that the information flow within the company is consistent. For example:

*You have to synchronise within your own organisation before going to the customers, [meaning that] suggestions are agreed beforehand with the key account managers, to avoid contradictory statements, to be consistent and agreed by all sides. (Company C, National Account Manager 1)*

The importance of *relationship selling and direct customer contact* also was identified:

*We want personal relationships with our customers. A relationship via the product doesn't work anymore. (Company H, Field Force Manager)*

*[The buyer] does not need to be my friend, but must trust me and have the feeling that I am his internal lawyer within my firm. (Company C, National Account Manager 1)*

*The personal relationship is important because trust, finally, develops over the personal relationship. In fact, it is important to build up a personal relationship, so that the partner knows what he can expect. (Company C, Senior Category Manager)*

Customer contact is not only important at the operational level. Initiation of personal relationships at a strategic level is also seen to be important. Therefore, customer management and communication skills also are important at senior management level.

*Since the appointment of our new head, we try to develop more top-to-top contacts to intensify cooperation. (Company C, Field Sales Force Manager)*

Finally, *achievement of a manufacturer's goals* depends on an understanding of the factors influencing trust and cooperation, and on adequate adaptation of the supplier's philosophy, strategy and structure regarding products, sales force organisation, sales force expertise, and relationship building skills to influence the retailer's willingness to cooperate.

These findings are illustrated in the theoretical framework illustrated in Figure 2.

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## **Conclusions and limitations**

This paper has illustrated the implementation of the Straussian approach to grounded theory in a sales context. The study itself has added to the body of knowledge regarding the potential influences of relationship selling strategies on channel relationships and channel outcomes within the FMCG manufacturer—retail chain environment. However, further studies are required to test whether the findings can be generalised to other situations or countries.

It now remains necessary to complete an analysis of the emergent theoretical model relative to established theory and to refine that model if appropriate (tasks which are beyond the scope of the current paper).

Finally, Corbin and Strauss (2008, pp. 307-309) provide 13 criteria to evaluate the ‘credibility of descriptive findings or theory constructed’ from grounded theory.’ These are addressed below in the interests of illustrating the evaluation of grounded theory implementation.

### ***Criterion 1: How was the original sample selected? How did later sampling occur?***

Interviewing commenced with a consultant with substantial experience in both FMCG and retailer industries, which provided him with awareness of issues relating to the study and the ability to recommend the types of executive to target during participant recruitment. Based on those recommendations, several participants were recruited by contacting relevant attendees of retail conferences, ‘cold calling’ on executives, and through a recruitment specialist who agreed to support the study. Some participants also identified others who would be able to discuss in detail specific issues that emerged during their interviews. This ‘snow-balling’ enabled coverage of a broad range of relevant issues and, therefore, appears to comply with requirements of ‘theoretical sampling’. The key limitation relates to the failure to recruit participants from retail chains, which would have ensured a more balanced coverage.

***Criterion 2: What major categories emerged?***

Core categories of *trust* and *cooperation* emerged during early interviews, enabling exploration of related categories in later interviews. Those categories appear to have face validity and are consistent with existing related theory.

***Criterion 3: What were some of the events, incidents, and/or actions (indicators) that pointed to some of these major categories?***

Besides initial emergence and subsequent permanence of the core categories, relevance and importance were reinforced through emphasis by various participants, illustrated in the following comments by different participants (translated by the first author): ‘only in cooperation is there a future in the long-run’; ‘cooperation creates competitive advantages’ and ‘cooperation is an instrument (medium)’; ‘Cooperation requires trust’ and ‘If there is no trust, the retailer will not exchange anything with us and not develop any projects’.

***Criterion 4: On the basis of what categories did theoretical sampling proceed?***

‘Snow-balling’ enabled subsequent recruitment of participants able to discuss issues (categories) that emerged during earlier interviews and which required further discussion by participants with (different) relevant experience to the initial participants. This enabled in-depth coverage of a broad range of issues (categories) relevant to the study. The validity of categories was directly assessed in the final interview. As a final check, it is planned to obtain feedback from several practitioners on the validity of the proposed theoretical model.

***Criterion 5: What were some of the statements of the relationships made during the analysis and on what grounds were they formulated and validated?***

Some verbatim comments are provided in the prior section. Relationships between issues (concepts) were made on the basis of data from interviews and initial validation was based on

feedback from the last participant. As already mentioned, it remains necessary to complete an analysis of the proposed emergent theoretical model relative to established theory.

***Criterion 6: Were there instances when statements of relationships did not explain what was happening in the data (negative cases)? Were these discrepancies accounted for? Were statements of relationships modified?***

If negative cases were identified during data collection and analysis, these were discussed intensively during those—and subsequent—interviews, until the conditions resulting in those negative cases could be explained. For example, abuse of a manufacturer’s compensation strategy by its sales force was identified in an early interview, while in the following interview such abuse was excluded since the relevant firm’s compensation strategy was not based on sales results. In later interviews, it was clarified that such abuse occurs occasionally, depending on the firm’s compensation strategy—but very infrequently, and is not relevant to the research question. This approach successfully addressed all anomalies.

***Criterion 7: How and why was the core category (if applicable) selected?***

Based on interview data, core categories were selected when recognised as key influences on the firm’s ability to improve channel outcomes in the face of negative channel power.

***Criterion 8: Are the concepts systematically related?***

The concepts and their inter-relationships identified or interpreted from the data do appear to be related in a manner that is plausible, based on an initial comparison of the emergent theoretical model (shown in Figure 2) with existing theory.

***Criterion 9: Is variation built into the theory?***

Variation has been captured in the proposed model since factors (concepts) allow for some variability in attributes and their impact on other factors (depending on relevant attributes).

***Criterion 10: Are the conditions and consequences built into the study and explained?***

The authors believe that processes, limitations and major consequences relating to the study have been clearly identified in this paper.

***Criterion 11: Has process been taken into account?***

Since the aim of the study was changed—following the initial (extensive) literature review—to become a study of a previously unexplored situation (phenomenon), and grounded theory was identified as the most appropriate method for the study, all recommendations relevant to the Straussian approach have been observed. In any case, as previously argued, while the initial literature review is inconsistent with the Glaserian approach, it is not inconsistent with the Corbin and Strauss (2008) approach.

***Criterion 12: Do the theoretical findings seem significant, and to what extent?***

The authors believe the findings make a substantial contribution to the body of knowledge regarding business-to-business relationship selling and its potential effects on customer relationships and channel performance, although the focus on just one industry situation in just one country requires further studies to test the generalisability of the findings. From a practitioner perspective, the findings enable sales management to identify factors influencing the level of success of manufacturers of FMCG as a wide range of different manufacturers in comparable business situations were selected as data sources.

***Criterion 13: Do the findings become part of the discussions and ideas exchanged among relevant social and professional groups?***

Given the scale of the channel-related challenges facing FMCG manufacturers in many developed economies, it is likely that these findings will generate discussion and researchers and practitioners alike, and result in further research.

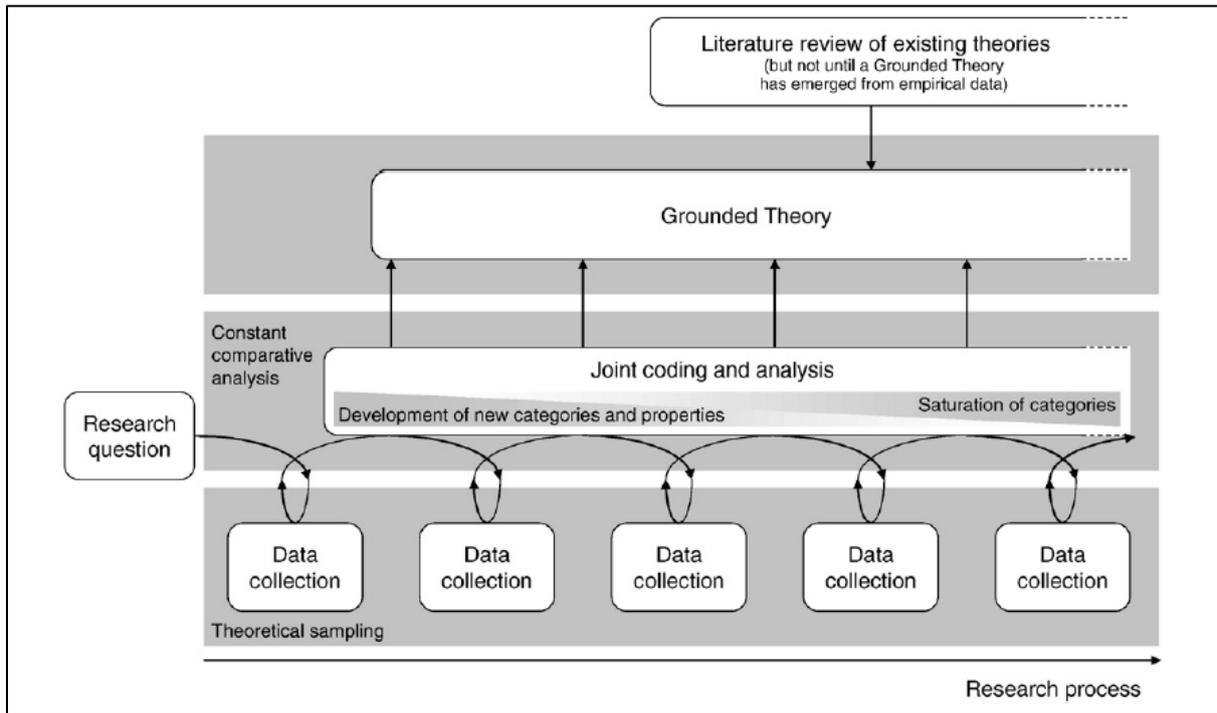
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**Figure 1**  
**The grounded theory process**



Source: Wagner, Lukassen and Mahlendorf (2010, p. 7)

**Figure 2**  
**Emergent theoretical framework**

