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Contents

Abstracts

Customers' Perspective on Value-Based Selling: Customer Information Needs in the Buying Process – Anna Abramova

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Digitalization has made customers more independent in their decision making by partially substituting direct contact with supplier by digital content. For the seller this means that it should be able to provide the customer with relevant, timely digital content which will meet its information needs. Yet, current purchasing and sales literature does not offer a profound understanding of customer information needs in the buying process. This study provides an insight into customer information needs depending on a stage of the buying process and a role in a buying team based on semi-structured interviews conducted among buyers of IT backup software.

Valorization of Managerial Skills on Employability: Case of Edugame "Managing a Sales Person with Problems" – Marie-Laure Weber, Cristophe Fournier, Antoine Chollet

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This research deals with the use of Edugames as a digital tool of playful pedagogy, bringing simulated professional experience complementary to the professional experience "field". She focuses on a management-specific Edugame based on the idea of Learning by Doing, cognitive learning. We determine the influence of Edugames on the valorization of skills and on the capitalization of professional experience, by asking ourselves: to what extent is this professional experience similar to the experience acquired in the field, valorizable in a recruitment process? A complement of the empirical data would allow to moderate the influences via in particular the concept of game flow.

Understanding the Lifelong Learning of B-To-B Salespeople in the Omnichannel Selling Environment – Sini Jokiniemi

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The paper draws from the contemporary understanding of salesforce learning in the extant sales training literature, with a particular focus on training delivery and learning environments in the omnichannel marketplace. Business-to-Business salespeople are experiencing novel challenges when maintaining and developing their competences as the selling environment is undergoing considerable changes due to e.g. the social media paradigm. In the spirit of situated learning, the paper considers both formal and informal learning as part of a sales professional's lifelong learning path and offers a typology of learning environments and competence development methods for sales managers' consideration.

Dialogue as Co-Creation of Value – Karina Burgdorff Jensen

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The communication perspective of the joint value co-creation process in sales is largely overlooked in marketing research. This paper contributes to the understanding and further development of value co-creation through dialogue as a joint action process. Moving from persuasive communication towards joint action, the paper investigates how dialogic communication affects the joint creation of value in B2B sales. The study is an Action research study based on the positive deviance approach, investigating the strategies of highly successful teams and individuals and disseminating knowledge to their peers and co-workers about these strategies. Action research seeks to create change, monitor and analyze the events and thus create knowledge and change simultaneously. The participants are 81 salespeople from 31 B2B industries. The findings suggest that dialogic communication increase the number of opportunities for co-creation processes in sales and unfolds and extends the theoretical perspectives of dialogue as value co-creation.

Manager's Indecisiveness: Effect on Salesperson's Job Performance and Work Stress - Jay Mulki, Jobst Görne, Kenichi Hosoi

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Research has shown that sales manager's supervisory style plays a critical role in salesperson's job satisfaction, performance and turnover intentions. Ability to make timely decisions with available information is one of the key traits of an effective successful manager tasked with leading salespeople for success in the competitive marketplace. This study examined the impact of manager's indecisiveness on job performance and felt stress of salespeople. Results found that indecisiveness perceptions has a direct negative impact on job performance and increases stress. In addition, indecisiveness degrades the impact of job autonomy on felt stress and job performance.

Communication without Content: Can We Predict Sales Effectiveness Based on the Sellers' Nonverbal Behaviors without Recording any Conversational Content? – Sandra Pauser, Udo Wagner

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There is general consensus among research and practice that the success of a business largely depends on the capabilities of the sales force. Accordingly, in research attention has been devoted to the identification of determinants of salesperson performance. In the 1980s scholars recognized the growing importance of nonverbal communication as an important driver of sales effectiveness. However, an objective measurement of nonverbal behaviors has remained largely absent. This study introduces sociometric badges to sales research to automatically capture nonverbal communication behaviors. Besides the methodological contribution, the findings indicate practical implications for salespeople on how to enhance customer responses.

Does Delay of Gratification of Physical and Social Needs Predict Salesperson Customer Orientation? – Vaibhav Chawla, Guda Sirdhar

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Our proposition for the study is to examine the hitherto unexplored delay of gratification construct and its influence on the salesperson customer orientation. Salespeople who score low on delay of gratification will tend to avoid delay of rewards. We also considered the role of adaptive selling and its role as a mediator between delay of gratification and customer orientation. Cross-sectional survey methodology was used. The responses were collected from salespeople and customers. We found a positive relationship between delay of gratification and customer orientation and the influence of adaptive selling as mediator between the delay of gratification and customer orientation was also found to be significant.

Flow and Salesforce Productivity – Exploring Linkages through Experience Sampling Method – Teidorlang Lyngdoh, Guda Sridhar

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Departing from the traditional 'something is wrong with the salesperson' approach, to identifying the positive states and thus enhancing the sales performance is the core to this paper. We examined a positive state 'Flow' and investigated how performance is enhanced when an individual is in a state of flow. Using an exploratory design, we identified how flow enhances the positive behaviours and also how it reduces negative behaviours thus improving productivity. Using Experience Sampling Method, we tested for few propositions on these two routes. Implications and limitations are also presented in this paper.

Managing Marketing-Sales Interface: The Roles of Mindset Differences, Organizational Identification and Cross-Functional Learning – Jun Xu

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This paper focuses on the mindset differences between marketing and sales employees (e.g., long-term versus short-term, and process versus result orientation) to explore the marketing-sales integration. Drawing from the research in social categorization and organizational diversity, a dual-process model of marketing-sales mindset differences is outlined. In this model, both the positive and negative aspects of marketing-sales mindset differences are examined. Specifically, two underlying processes are proposed to involve in the effect of mindset differences on marketing-sales integration. In the social categorization process, perceived marketing-sales mindset differences are proposed to be positively related to the relationship conflict between these two functions, indicating the negative aspect of marketing-sales mindset differences. In the information processing process, perceived marketing-sales mindset differences are proposed to be positively related to the perceived novelty of information sent between these two functions, indicating the positive aspect of marketing-sales mindset differences. This model also suggests that organizational identification moderates the social categorization process and cross-functional learning moderates the information processing process. The proposed model was tested by collecting data from matched pairs of senior marketing and sales executives from the same business units.

The Role of Expertise and Handling of Objections on Sales Performance: Examining the Mediating Roles of Task Overload and Job Satisfaction – Bruno Lussier

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The relationships amongst expertise, handling of objections, customer demands, job satisfaction, and sales performance are explored. The authors propose that (1) expertise is positively related to handling of objections and job satisfaction, and negatively related to customer demands, (2) handling of objections is negatively related to customer demands, and positively related to job satisfaction, (3) customer demands are negatively related to job satisfaction, and (4) job satisfaction is positively related to sales performance. The hypotheses

are tested using data from 161 business-to-business European-based salespeople and objective sales performance data collected from four major sectors. Implications of the findings are discussed.

Customer Switching Back Dynamics: The Power of Rebuilding Trust – Annie Liu, Richa Chugh, Mark Leach

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This paper examines purchasing agents' perspectives regarding customer switch back. Drawing upon research on social exchange, we posit that rebuilding trust is a critical factor that increases purchasing agent's advocacy to return. We also examine the influence of perceived switching-back costs and satisfaction with the replacement supplier in the switching back dynamics. Data from a survey of 301 purchasing agents, confirms the power of rebuilding trust, as trust enhances advocacy to switch back and diminishes the negative influence of perceived switching-back costs. Furthermore, satisfaction with the replaced supplier and higher perceived switching-back costs negatively influence the purchasing agent's advocacy to return.

Why do Competitive Salespeople Leave: The Role of Meaningful Job – D. Joel Whalen, Jay Mulki

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Jay Mulki, Northeastern University (USA)

US firms spend an estimated $ 15-billion annually training salespeople to attain better performance. Despite this significant investment, each year 27% of U.S. sales force, twice as many as the overall labor force, turns over (HBR 2007). Previous studies have explored the effect of various organizational variables on job performance and employee turnover. This paper reports the results of a study measuring the impact of trait competitiveness, and, the role of having a meaningful job on salespeople's job performance, and, salespeople's turnover intentions. A structural equations model is presented.

Full Papers

The Dynamics of Buying: Criteria for Supplier Selection at the Final Stage of the Decision-Making Process – Pentti Korpela, Liisa Kairisto-Mertanen, Sirpa Hänti

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Digitalization has changed buyer behaviour in the buyer's journey. The aim of this qualitative study is to increase understanding about the influential decision-making criteria of supplier selection at the final stage of the business-to-business (B2B) buyer's journey. The findings suggest that criteria evolve on the way towards completing a purchase. Influential, final criteria differ from the criteria and expectations set for sellers at the early stage. The implications for sales management include: securing the continuation of the journey at the early stage but prioritizing influential criteria when allocating resources to processes and marketing activities of the firm.

Introduction

Buyers set criteria for supplier selection to secure the performance and competitiveness of their company. The decision-making process is a result of various multi-criteria (Dickson 1966). It is a combination of both qualitative and quantitative factors, strategic thinking and quantitative optimization (Huang and Keskar 2007). In their seminal article, De Boer et al. (2001) classified the supplier selection process into three main stages: "criteria formulation", "qualification" and "choice". In the era of supply management and global sourcing, the model has been supplemented with "application feedback", meaning continuous evaluation of the supplier (Wu and Barnes 2009). Buying situations such as a new task and modified and straight rebuy (De Boer et al. 2001; Robinson et al. 1967), the supply risk and the impact of purchasing on the bottom line for the company (Kraljic 1983) and purchasing orientations, i.e. buying, procurement and supply management (Anderson et al. 2009), closely relate also to the supplier selection process. The majority of supplier selection research addresses the final choice phase in manufacturing industries and less attention has been given to the preceding and post-purchase phases (Wu and Barnes 2011). Research on selection criteria in services is also minimal.

Digitalization has changed the selling environment. Buyers have easy access to information regarding the supply situation, the offerings of several vendors, and they research, evaluate and share even other customers' experiences more than before, thus resulting in increased buying power (Lingqvist, Plotkin, and Stanley 2015; Wiersema 2013). B2B selling has become more challenging for companies. Understanding supplier selection criteria helps the seller to choose the best strategies to initiate and maintain the customer relationship.

The aim of this paper is to increase understanding about the supplier selection criteria that really matter in the final decision-making process. To solve the research problem, we formulated two research questions:

1. Which selection criteria are the most influential at the final stage of decision-making?
2. How do buyers' expectations towards sellers at the early stage relate to final decision-making?

The study proceeds as follows. First, we review the extant literature. Second, we deepen the theoretical understanding with empirical research. Finally, we discuss the contributions, managerial implications of our findings, as well as the limitations of the study.

The most popular evaluation criteria

According to the meta-analysis conducted by Ho, Xu and Day (2010) on articles in international journals from 2000 to 2008, the most important criterion is quality, followed by delivery, price/costs, manufacturing capability, service, management, technology, research and development, finance, flexibility, reputation, relationship, risk, and safety and environment. Each main criterion includes several sub-criteria. The earlier single-criterion approach based on costs is no more a dominant criterion in the supply management era, although suppliers can source globally and locally and make price comparisons easily (Wu and Barnes 2011).

Surprisingly, the selection criteria have not essentially changed since the criteria presented by Dickson (1966) and the majority of those criteria still are present in more recent studies (Wu and Barnes 2011). Also, added value is seldom mentioned. A European study by van der Rhee

et al. (2009) found in their discreet choice analysis the following criteria and suggested added value viewpoints: flexibility, cost, delivery, added value support and added value service.

A general trend is to reduce the number of suppliers to better manage the supplier network and to increase buying power by offering larger volumes to the chosen suppliers. A reduced space for supplier selection is needed in order to deepen the relationship with fewer partners (Sarkar and Mohapatra 2006). This changes qualification into a sorting process rather than a ranking process (Wu and Barnes 2011).

Customer expectations during the buyer's journey

The study by Kock et al. (2017) addresses critical touchpoints in the buyer's journey (Lemon and Verhoef 2016) in awareness and consideration stages. The study revealed that buyers set various and high demands towards the supplier candidate and their overall capabilities, digital channels and content of the channels and salespeople competencies especially at the early stages of the decision process. The supplier websites should offer, among other things, price information, chatting possibilities, planning tools, product specifications. Contact information should be easily available and the clarity and visibility of the webpages were expected. Related to the capabilities of the company, for example, the following criteria were appreciated: well-performing after-marketing and service, innovations, reputation of the company, and a nation-wide presence. Expectations towards salespersons stressed expertise, acting as a contact person, the ability to demonstrate the value of the product and the company, understanding customer needs and problems, and creating value at every point of contact. The ways in which buyers wanted to be treated can be summarized as: easiness, promptness and personalization. Social media and expectations towards had a minor role.

Framework of the empirical study

Figure 1 illustrates the setup of the empirical study. The buying situations were both new task and modified buying situations. Interviews were conducted after the decision stage among those buyers who made a rejection purchasing decision.

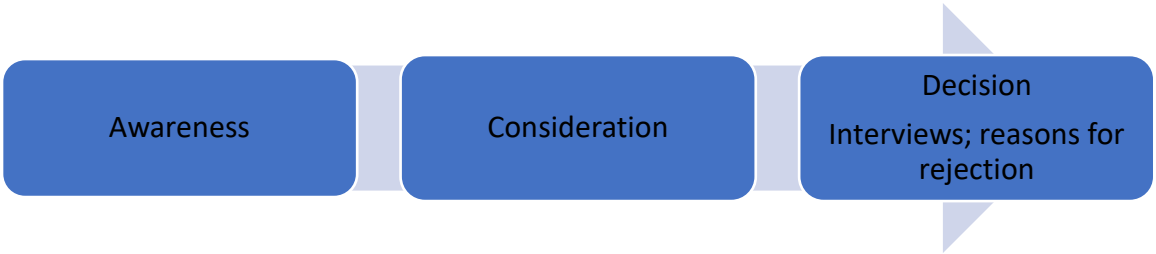

Figure 1 Framework: Supplier selection criteria at the final stage of the buyer's journey

The earlier study (Kock et al. 2017) investigated buyers' expectations in the awareness and consideration stages and the focus of this study is purchase rejections in the decision stages.

Methodology

A qualitative research methodology and an abductive approach with "systematic combining" by Dubois and Gadde (2002) was employed to discover new things and to develop the theory. The existing theory was confronted with the empirical world throughout the study process. The purposive sampling (Patton 1988) was based on a rejection purchasing decision. Key-informants represented the decision-making unit (DMU). Investigating rejection decisions helps uncover real reasons not to buy and understand the influential supplier selection criteria. Data was collected by "in-depth interviews" and open-ended questions. Telephone or person-to-person interviews took 45–60 minutes and they were recorded and transcribed later. A total of 16 interviews were conducted. Coding was assisted by employing the ATLAS.ti software program. The general inductive approach was employed allowing the research findings to emerge from the important themes inherent in the raw data (Thomas 2006).

The seller firms (3) represented services and solutions providers, while buyer firms (16) covered several industries from manufacturing to sophisticated service companies. The size of buyer companies covered the large and small and medium size categories on a fifty-fifty basis. The average age of the key-informants was 45 years, with a technical or commercial education, experience in procurement of more than ten years, all were male, the number of their LinkedIn connections varied from zero to 500+, and only two of them shared work-related contents on a regular basis.

Empirical findings

The empirical findings of the study are summarized in Table 1.

Table 1 Reasons for the rejection

	Reasons for the rejection
1.	Price competitiveness
2.	Perceived malfunction in basic processes
3.	Political reasons
4.	Salesperson's behaviour
5.	Digital channel of the supplier; no reason for the rejection
6.	Social media presence; no reason for the rejection

Price- and cost-related issues were the reason for the rejection in 8/16 cases, thus emphasizing how strongly buyers perceive value creation in monetary terms. Lack of trust in the product and service quality and functioning of basic processes was the second biggest reason for the rejection. Political reasons include the wrong time to change supplier and a mismatch between firms. The lack of activity by a salesperson was also mentioned, but the rejection was mainly related to the lack of trust in the sales management. According to the interviewees' replies, suppliers' digital channels and their content were not a reason for rejection, and neither the presence of personnel nor their content sharing had any impact on the rejection. The role of social media, already at the early stage, was perceived as less important in B2B context.

Discussion and conclusion

At the early stages of the buyer's journey, buyers set high expectations and criteria towards the selling company, salesperson and the content of the potential supplier's digital channels (see Kock et al. 2017). When the journey proceeds towards the decision- making stage, the criteria evolve and the influential criteria take the form of well-established selection criteria (see Buyersphere Report 2015). Building long-term relationships acts as a driver for the selection criteria in the supply management context.

In the digital world, fundamental factors such as price competitiveness related to price/costs criterion, differentiation from the competitor related to the added value criterion, the functioning of basic processes related to quality, management, reliability and the flexibility criterion also matter in the final decision-making in the B2B context.

However, the buyer's journey may end due to an unsuccessful customer experience before the decision stage. At each stage of the buyer's journey, the selling firm must take contextual

and situational factors into consideration and respond in the way each buyer wants to secure the continuation of the journey.

Figuring out the fulfilment of the influential selection criteria and the capability of a supplier require quite an intensive human interaction throughout the buyer's journey in the context of complex, important or strategic products and services. Our findings do not support the claim that nearly 60 percent of a typical purchasing decision has been completed before contacting the selling firm or the salesperson (see Adamson, Dixon and Toman 2012). Our findings resonate better with the study by Hallikainen and Laukkanen (2016) that suggests 27 percent of B2B customers had used digital services during their last purchase. In addition, buyers preferring a digital-driven journey also wanted a face-to-face meeting at a rather early stage of the buyer's journey (Kock et al. 2017).

Managerial implications

Management must prioritize the allocation of inputs and investments in the development of processes and marketing activities from the viewpoint of recognized selection criteria while competitive, situational and contextual factors act as drivers. Secondly, management must secure a smoothly running buyer's journey also at the early stages as buyers appreciate easiness, promptness and personalization in all interactions.

Limitations and future research

The small number of interviewees limits the generalization of the findings outside the context. However, this study is a part of our bigger DIVA project consisting of a total of 85 interviews and a quantitative survey of 2348 respondents (Hallikainen and Laukkanen 2016), increasing the reliability of the findings. To increase the generalization future research should verify our qualitative findings with quantitative methods in multi-industry settings.

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The Business Type as the Starting Point for Digital Transformation in Sales Management – Stefan Wengler, Gabriele Hildmann, Ulrich Vossebein

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Various empirical studies are concerned with the success factors of the digital transformation process. However, a critical review of the literature shows that empirical studies in BtB sales management predominantly focus on company sizes as well as industries, but mostly neglect the relevance of business types. In the following paper, the results of an empirical study will be presented, which will fill the existing research gap. It will be demonstrated that the business type is having a major influence on the design of the various sales process steps as well as on the digitalization potential of the respective processes.

Introduction

The digital transformation will change the way of doing business substantially: Various new opportunities will arise for the companies by designing their business processes more efficient and effective to sustain their long-term competitiveness as well as by developing new business models to create new market opportunities. At the same time, however, risks arise, because existing competitors use these new opportunities in a more consequent manner – and new competitors enter the market, which create much more attractive service offerings and break up established market structures in a disruptive process. Good examples for successful market entries of new competitors in BtB markets are the big digital companies like Amazon Business, Alibaba Group, as well as Industry-Business-Network and Globalsources. They have already started to change established industry structures – and will do so in future in an even more severe manner (Gartner 2017, Intershop 2016, The Boston Consulting Group 2017, Bitkom 2017, Roland Berger 2017).

The fundamental impact of digitalization on existing businesses becomes evident as most companies often do not have the necessary human and financial resources at their disposal to upgrade their own businesses processes sufficiently by themselves. Currently, companies particularly lack the necessary skills set to make use of the various opportunities of the digital world like 'Augmented Reality', 'Virtual Reality', 'Artificial Intelligence', 'Predictive Analytics',

‘Cognitive Computing’, ‘Smart Data’, ‘Big Data’, ‘Internet of Things’, ‘Cloud Solutions’ etc. It is therefore necessary to provide proper guidelines to these companies how to master the challenges ahead and apply these new technologies in an efficient and effective way. In the following, the paper assesses in an in-depth research study the consequences of digitalization in sales and sales management.

On the path towards digital transformation in sales

Various empirical studies were conducted so far to identify the success factors and maturity models of the digital transformation process. In most studies, the focus was on the company in general (Kane et al., 2017, Accenture 2015, Wallner, 2015, Schäfer et al. 2015, Möller 2016), but also on marketing & sales (Andrus 2017, Deloitte 2017, Intershop 2016, The Boston Consulting Group 2017, Roland Berger 2015). All these studies agree in principal on the following critical success factors within the digital transformation process: strategy, organization, data, technology, processes, culture, leadership and employees.

Interestingly, most of these studies on the digital transformation process try to derive results with respect to company sizes and industries. Although this approach might be sensible on the company in general, it has its shortcomings as soon as a study focuses on the sales process of BtB companies. For these companies, the sales process varies considerably – and depends predominantly on the business type: There is a fundamental difference if a company sells copy machines, office supplies, power plants or high-tech components for the automobile industry, i.e. the design of as well as the focus within the sales process will be completely different. In the literature, the following three business types – derived from Transaction Cost Economics (Backhaus et al. 2003, Backhaus/Mühlfeld 2005, Wengler et al. 2017) – are distinguished with respect to their degree of investment specificity: the product business (low investment specificity), project business (medium investment specificity) as well as relational business (high investment specificity). For verifying the relevance of these business types in the digital transformation process the following empirical research study was conducted.

Research objective and research design

In a lengthy exploratory study, which took place from Jan-Nov 2017 in Germany, the following research hypotheses were tested:

1) The relevance of the individual sales process steps depends primarily on the business type.
2) The digitalization potential will be determined by the business type as well as the individual sales process step.
3) The current degree of digital transformation is very divergent – and offers much room for improvement.

For the empirical study 90 people were interviewed from 30 German medium-sized companies with an average annual turnover of € 250 Mio. and around 1,300 employees. In each company three people were interviewed, of which one was a managing director/member of the board of management, one was a sales director and one was a sales representative. Although most of the companies were active in more than just one business type, around one third of the companies was predominantly active in one of the three business types, i.e. the number of companies spread almost evenly across the three business types. All interviews were conducted personally or via telephone.

In addition to the business types the following sales process was assumed, which applies across all three business types:

1) Market Analysis
2) Selection of Target Customers & Lead Generation
3) (Preparation of) Negotiation
4) Processing of Business Transaction
5) After Sales.

During the interviews, our interview partners were asked to identify the business type they are working in, to assess the current degree of digitalization, the applied software tools as well as their own potential for further digitalization –for each sales process step of the respective business type.

Research results

The results of the tested hypotheses are explained for each sales process step shown in Figure 1: As it becomes immediately evident in Figure 1, the sales process step "Market Analysis" has a much higher relevance in the product business (20%) than in the project business (5%) or the relational business (5%). This result can be explained by the fact that the product business is characterized by focusing on a rather anonymous mass market and that the customer is hardly involved in the product development process. In contrast, the project business as well as the relational business are much more focused on individual customers – and the business transaction take place in markets, which are rather small and manageable in size.

The maximal digitalization potential of this sales process step is assumed by companies in the product business at around 60% of the totally required activities of this sales process step. In the case of the project business companies assume a proportion of around 35% of all activities – and in the relational business even below that, at around 20%. Asked for the current digitalization degree of the sales process step, the results are rather similar across all business types – varying between 10-15%, i.e. much room for improvement is still given with respect to the digital transformation of this sales process step.

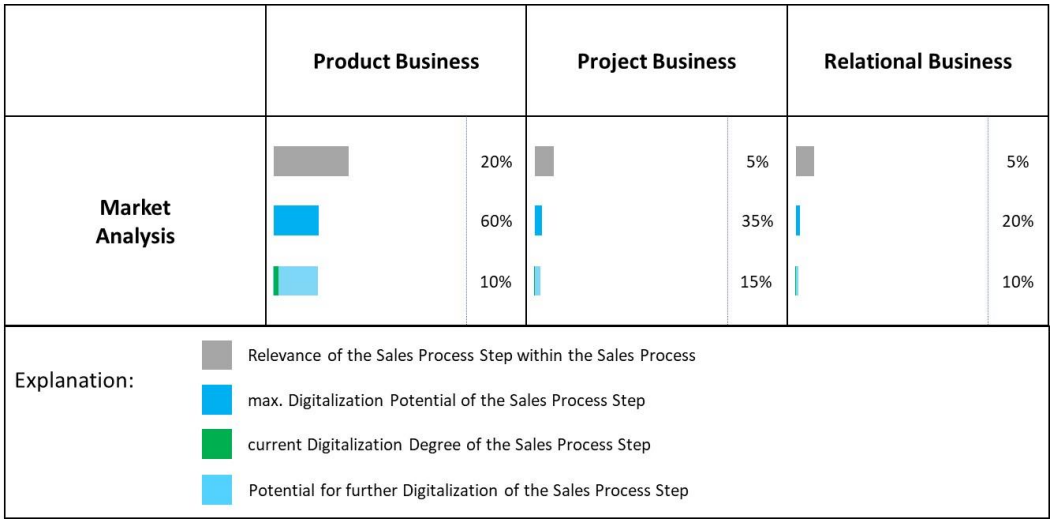

Figure 1: Sales Process Step "Market Analysis" across all three business types

An assessment of the complete sales process as shown in Figure 2 confirms in a rather convincing way the substantial influence of the business type on the digital transformation in BtB sales. The relevance of the individual sales process steps as well as the maximal digitalization degree deviate significantly between the three business types. While the selection of target customers & the generation of customer leads are of major importance for successful sales in the product business, the focus in the project business as well as the relational business lays on the processing of the business transaction. The different focuses can be explained due to the business types' characteristics: In the product business, the product already exists – and might already be on stock. An electronic order processing and a fast delivery process can easily be implemented; the more challenging task has to be seen in the selection of attractive target customers and a proper lead generation. In contrast, the development and production of the service offering in the project business only starts after

signing the contract as it includes e.g. power plants, buildings or consulting services. A similar situation is given in the relational business, where agents only start their (joint) product development process after signing the contract.

The digitalization degrees of the different sales process steps show considerable differences across the business types, too. The highest value of up to 90% can be found in the 'Processing of Business Transaction' in the relational business type. Due to close supplier-customer relationships in this predominantly OEM business companies are not only process-wise, but also (increasingly) IT-wise closely interlinked with each other – and allow a continuous stream and exchange of various data. At second place follows the product business also in the sales process step 'Processing of Business Transaction' with around 80%, which can be explained due to the use of electronic market places or other e-commerce tools.

An important result of the interviews is the insight that in many sales process steps the 'manual' or 'analogous' sales activities are still indispensable. Particularly the '(Preparation of) Negotiation' as well as 'Processing of Business Transaction' in the relational business show low digitalization potential of just 25% or even 20% respectively. Also, the high digitalization degree in the 'Processing of Business Transaction' at around 80% should not cover up the fact that the process step's digitalization potential is just at around 40% – due to the (still) high degree of manual labor in many warehouses like at Amazon.

A rather interesting outcome of the exploratory research was the fact, that many companies are not only following one, but sometimes up to all three business types at the same time. These situations are rather challenging for most small and medium-sized companies as they will try to follow one standardized digitalization approach, which will cause rather severe problems in their business processes – particularly with respect to their customers. Therefore, companies with two and three business types will have to accept the fact that each business type requires not only its own sales process design, but also its own IT templates.

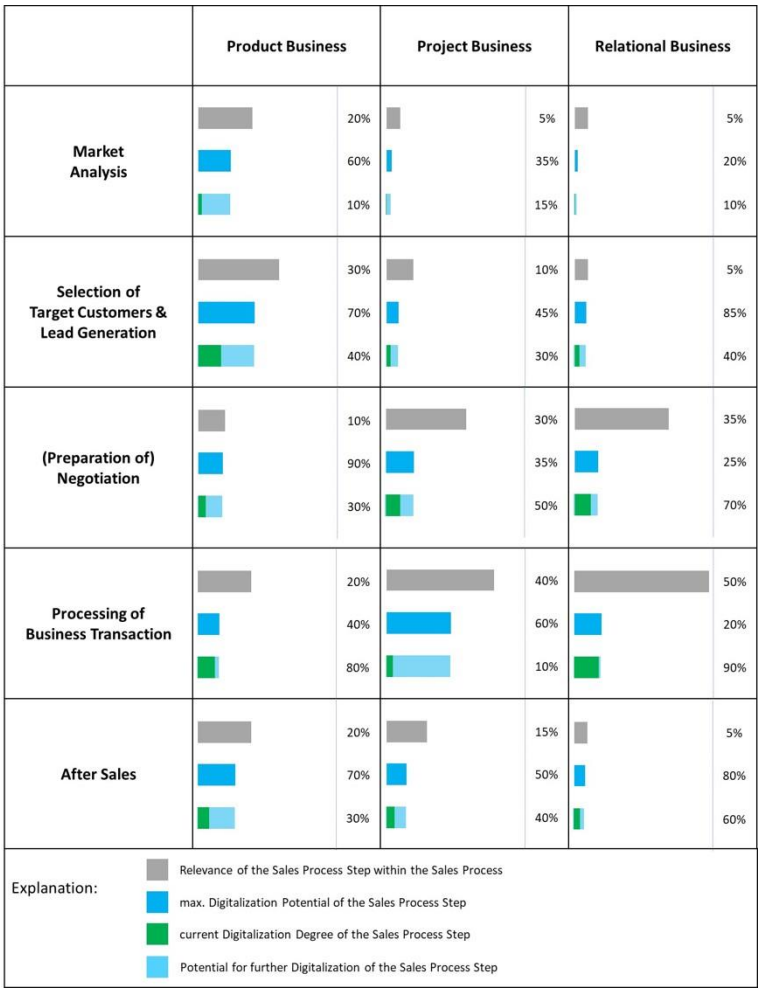

Figure 2: The complete Sales Process across all three business types

Management Implications

With respect to the research hypotheses of this exploratory study all three hypotheses can by confirmed:

1) The company's business type(s) has a predominant influence on the relevance of the individual sales process step in BtB sales.
2) Also, the digitalization potential depends on the business type and the individual sales process steps. It varies between 20% – 90%.
3) The current digitalization degree still leaves a lot of room for improvement within the digital transformation process, although there are considerable differences between the various sales process steps.

Although the 90 interviews were conducted individually and in one-to-one interview situations, it is important to acknowledge that only 30 different companies were included in our study, i.e. interdependency effects might be possible. However, the results are rather unambiguous – and each and every interview partner has explained his assessment in detail. Additional insights from a quantitative study are hardly expected.

The research study also provided the awareness that besides all technical advancements and opportunities another research questions should be asked: How much would the customer

really appreciate increasingly digitalized processes? The internal digital transformation, i.e. the assessment of the internal processes without any customer interaction, takes place in a completely different setting than the external digital transformation – a matter which is increasingly discussed by other studies (Angevine 2017).

Future Research

The next analysis of the interview data will focus on the relevance of hierarchies regarding the assessment of the digital transformation in BtB sales. Different perspectives on the progress and added value of the digital transformation process in sales as well as the communication activities & efforts of the management board to explain strategic objectives, structural changes and to include the company's employees in the transition process will be of particular interest.

In future, business types should be included much more in the empirical studies of sales researchers to provide better insights and management recommendation for the digital transformation process in BtB sales. More awareness for this rather new perspective on the digital transformation in BtB sales is required to enable companies to re-design their processes in a more efficient and effective way.

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The Influence of Time Aspects on Sales Process Characterization in B2B Business – Jobst Görne, Alexander Grohmann, Kenichi Hosoi

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Few people have used time aspects to characterize the sales process up to now. The paper shows, that in some markets of B2B business there is a characteristic time lag between a sales action and the market feedback (increased turnover). This time lag is called “Market Response Time” (MRT). Grohmann 2012 has shown that all sales processes within the investigated industry sectors are subject to the same MRT. It is the aim of this paper to show that a number of market mechanisms can be attributed directly to the MRT. This creates new understanding and supports sales persons to find the appropriate working place

Introduction

Since long, researchers have divided the market into homogenous subgroups with similar business behaviour in order to increase the relevance and applicability of sales research (Green, Krieger 1991; Dolnicar, Leisch 2004; Cordero 2012). According to Kotler (1988), the segmentation is successful, if the different segments respond differently to different marketing strategies (among others). The first and most is the distinction into B2C and B2B. The B2B activities have been subdivided further, either depending on the transaction **object** (value, complexity, individualization degree (Backhaus, Voeth 2011)), the **customer relationship** (existing customer or new customer (Pepels 2015) or **cultural aspects** (national

vs. international (Bush et al 2001). The time aspects of business have been little used so far to describe market segments.

Grohmann, who worked on the reliability of sales forecasting in B2B markets, investigated different industrial markets, such as the automotive and the mechanical engineering sector, and found typical selling cycle durations (Grohmann 2012).He called the time from an action on the market (customer contact) until the measurable increase of the turnover after the closure of a contract the "Market Response Time". He showed that the selling process has to follow market specific time consuming patterns and he found that the duration of the selling cycle cannot be influenced by any party, as the time lag is linked to the nature of the business. It can vary from few weeks to a double digit number of years. The basic description of the MRT is given in Fig.1. As an example, at $t = t_0$ a company doubles its sales force. Depending on the reactivity of the market, turnover will only start at $t = t_1$. MRT will be calculated as: $MRT = t_1 - t_0$.

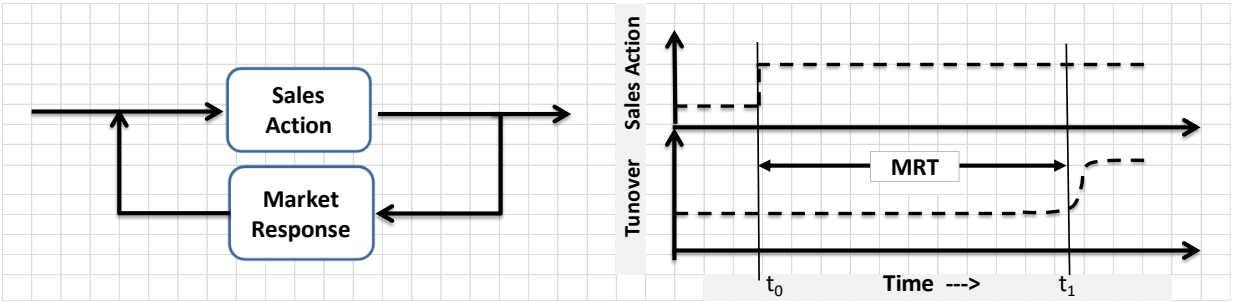


Fig. 1: Market Response Time MRT is the Time between Sales Action and Market Response (Increase of Turnover)

One example of the MRT can be a web shop for, say, digital cameras. Digicams are fast selling goods (B2C) which are purchased frequently. If a web shop owner notices that his sales go down due to his outdated price list (too expensive) he may revise it and reduce them to below competitor's prices. Then he will send the sales impulse to the market in uploading the new price list to the internet. As almost all around the clock somebody is buying a digicam, very soon after the upload there will be additional sales because many people go for the cheapest price. The MRT of such a business can be measured in hours or days. These short MRT markets exist in B2B business as well: screws, nuts and bolts, standard oils, drills and simple machinery is sold and purchased without too big time restraints, if the offer is advantageous. In these

cases the depth of customer relationship and customer loyalty can be judged as comparatively low.

An example that in some B2B businesses sales cannot be provoked at any time, even if the sales person tries hard, is the serial supply industry for automotive. Once a car model is put on the market and produced in serial conditions, virtually no changes are made by the car producer (often called “OEM”) as the cost and the risk related to a change is very high. This means that a sales person, who approaches a car manufacturer even with a very attractive and low priced part, will not be able to convince the OEM to integrate the part into the running serial production. The only chance for him to sell is to get the part into the next car generation. For many parts, like seats, gear boxes or axles, the purchasing decision needs to be taken at a very early stage of a new car model launch, which Grohmann found out to be as an average 4 years before serial production starts. This example shows that in the car manufacturing market there is a typical time lag of 3-5 years between concluding a sales and the start of money flow back to the supplier (Grohmann 2012). Customer relationship building is important, as the decision process is complex and needs sales persons presence in the whole buying center.

Third and last example is the defence industry. Military aircrafts, such as war ships or tanks are often not purchased continuously. Experts have reported that up to 15 years can pass by before a country decides to upgrade its military equipment. Sales persons working in this sector report that they have to be close to the customer, meeting him regularly, informing him and discussing with him during all this time if they want to have good chances for sale when the customer is ready to buy. In these businesses, relationship building is extremely important to keep up customer loyalty.

Relationship of MRT and the Personality of the Sales Person

Based upon the leadership grid of Blake and Mouton, a corresponding sales grid has been developed where two basic sales styles have been shown (Kleinaltenkamp, Plinke, Söllner 1998), often called the “dimensions” of a sales persons personality:

- The motivation to sell

- The motivation to support and consult the customer

This grid defines four typical behaviours, depending on the dominance of one of the two dimensions. If a salesperson has a highly developed motivation to sell, usually there is little motivation to consult and support the customer and he is frequently called a power seller. If the salesperson is more into consulting and not really trying to conclude a deal, he is called a soft seller. Sales persons, who have a little bit of both, may be called soft power sellers. If the sales person has little or no motivation for either selling or consulting, his presence in the sales department is doubtable.

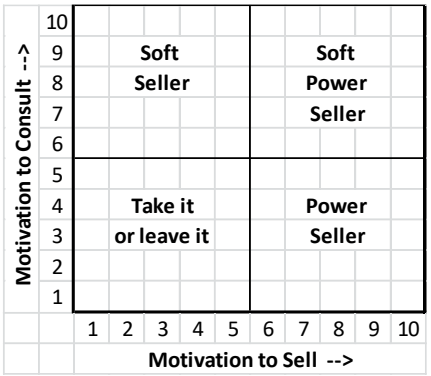
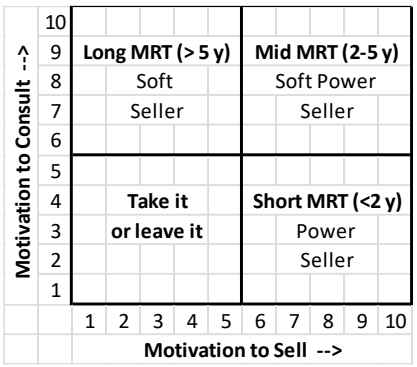


Fig. 2: Sales Grid based upon Blake and Mouton's Leadership Grid

Many discussions have been held about the best sales person profile – more sales oriented or more consulting oriented (Brassier 2013). Up to now no distinction has been made if one or the other profile may fit to different market segments.

In many cases the combination of both properties is considered to be the best. Using the idea of MRT may change this conviction. A power seller certainly develops little relationship to the customers, as this may be time consuming and stops him from selling more. It can be expected that this personality type would perform quite well in a business with short MRT, where customers can be gained and lost quickly and there is little supplier-customer relationship anyway.

If we look at business with long MRT, the sales can only be achieved in a multitude of single steps in close contact with the customer. A sales person needs to have a strong strategic mind to go step by step and rather develop the relationship than trying to conclude a deal. It should be in his natural behaviour to implement steps leading towards the success rather than simply run and act. This person needs to be far-sighted and not dependent on quick success.



Looking at the markets, a soft seller is not expected to be successful in markets with short MRT, where sales speed matters most. And a power seller would not really perform well in markets with long MRTs due to the complexity. With this understanding the sales grid can include these aspects as shown in fig 3.

Fig 3: Sales Grid and MRT. Markets with different MRT require different Sales Person Personalities

Selling products or components to automotive OEMs needs a lot of consulting and adaptation of the product to the wishes of the car manufacturer. So for selling successfully in this market, the sales person must have the wish to sell and the wish to consult at the same time. MRT in automotive is medium with 3-5 years (Grohmann 2012) and fits nicely into the sales grid.

This differentiation of the markets according to their MRT helps on one hand the HR department to successfully hire the right personnel to the right job. On the other hand it helps young sales persons to better choose their future employer according to their preferences, granting them the greatest chances to succeed.

Application of MRT to the Sales Management Style

Controlling the sales force can be done in two ways: Outcome Control (OC), where only the achieved output counts or Behaviour Control (BC), where the behaviour of the sales force has to follow a clear pattern (Baldauf et al 2001). In OC sales management little or no guidance or input into the sales process is given by the management, in BC clear rules are set up and the outcome of the sales efforts is considered to be a consequence of correctly following these rules (Baldauf 2001). Many researchers try to find out which of both extremes or in betweens is better for a successful sales department (Nigel et al 1998, Oliver and Anderson, 1995). Little thought is given if there are special fields of application for one or the other management style.

Knowing that different market segments have different MRTs, one has to ask if all segments require the same sales management style. If by the nature of the business no deal can be closed over many years (long MRT), it is impossible for the sales force to learn lessons based upon their own experience. It seems that long MRT markets absolutely need a strong BC sales control. Sales management has to define which sales behaviour leads to the desired customer relationship building and creates a good potential to win the business once the opportunity shows up. OC sales control seems inappropriate as the time lag for market response is way too long. Thus the Figure 3 can be completed with the management styles as seen in Figure 4.

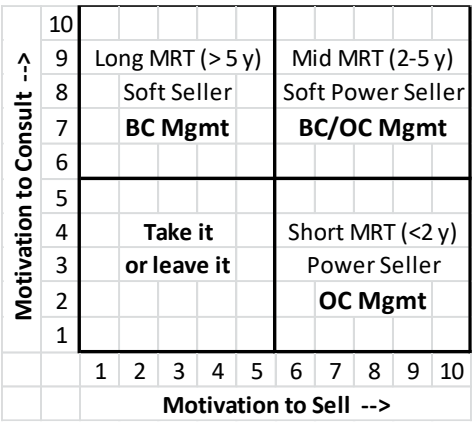


Fig 4: Markets with different MRTs require different Management Styles, too

As said above, short MRT markets are characterized by the possibility to acquire business quickly. The rapid pace of selling teaches a high number of lessons to the sales force and the result of a good sales approach or an insufficient sales approach can be seen after short time. Sales persons have the possibility to improve their sales approach by themselves. Logic tells that a pure OC management should be at least possible to be applied and may lead to at least acceptable results. Whether or not the effort of implementing BC components in short MRT markets is worthwhile will need further investigations.

Staying in the argumentation line, markets with mid MRT may show good results with a mixture of OC and BC: relationship building with the customers' needs to be done and measured (BC) and the outcome in form of closed deals needs to be taken into account in sales management. It becomes evident that from the nature of the business, behaviour control and output control need to be applied at the same time.

The time lag linked to the MRT has an impact on judging the sales persons, too. In case a new sales person is hired, it needs to be understood by the sales manager that he needs time to conclude deals. The new sales team member can immediately send sales impulses to the

market, but his manager needs to wait until the MRT is over before he can judge him by turnover results.

Application of MRT to Incentivation of Sales People

Managing the motivation of the sales team is a big issue (Miao et al 2009) and finding the correct incentives is difficult. It may be helpful to consider the nature of different incentives in keeping the MRT of the served markets in mind: in markets with short MRT incentives may be heavily outcome based in form of a major share of commission based remuneration. In markets with long MRTs it appears more logical to use fixed remuneration schedules or base the incentives on the application of the behavioural rules. Markets with mid MRT should be in the middle of the two extremes. Here some outcome commission may be paid, but much less than in markets with small MRTs (insurances, real estate business etc).

Impact of MRT on Sales Research

The above considerations are based upon expert interviews and formal conclusions and need to be validated by field tests. This means that different B2B markets need to be selected, their MRT measured and the validity of the above statements be confirmed. It will be of great interest to see how strong this new indicator is and to find out if similar MRT leads to similar sales behaviour, even in different sales environments. Planned research will move forward in two steps: 1) set up expert interviews to better understand the sales behaviour of the different segments and 2) try to quantify the findings. Quantification may be done by: Measuring more precisely and more widely the applicable MRT (multiple interviews per market sector), Set up a questionnaire to classify the sales persons personality and try to match personality and MRT in different market sectors, Set up a questionnaire to reveal the relationship between MRT and management style as well as incentivation per market segment.

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How Active Empathic Listening Predicts Success in B2B Sales Meetings – Timo Kaski, Martiina Roos-Salmi, Yvonne Karsten, Suvi Stack

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We seek to explore how active empathic listening manifests in real-life byer-seller interactions and how such salesperson behaviours contribute to the success of the sales meeting. To do so, we analyse video-recorded authentic B2B sales meetings and customer exit interviews. We show direct interaction excerpts to support our analysis. The study finds three manifestations of active empathic listening that contribute to initial meeting success: continuing the customer's line of thought, reflecting back, and using open questions. Our findings encourage salespeople to consider updating their objectives towards the initial customer meetings. We also provide recommendations for recruiters and sales managers.

Background and recap of the extant body of knowledge

Listening to and understanding customers in an in-depth level has become a precondition for success in dynamic market environment. Practitioners worry about how to advance a prospective sales case from initial exploration stage. Given the importance of social interaction

quality in sales, it is surprising to note the scarcity of empirical research into B2B sales interactions (Ahearne et al., 2007; Evans et al., 2012). It remains under-explained how salesperson listening skills contribute to sales meeting success and how such behaviours manifest.

In selling complex services and solutions, value is largely co-created with the customer through interactions that help the customer to better understand his or her environment and to find ways to solve problems and improve operations (Grönroos, 2012). Both the customer and the salesperson have major roles, and they must interact and share knowledge to co-create this value. In what follows, they make the ability to interact key to success. This scenario also requires more trust and detailed enough sharing of information (Haas et al., 2012; Vargo and Lusch, 2008). Sales scholars acknowledge the importance of active listening skills for successful professional selling (e.g., Pryor et al., 2013; Ramsey and Sohi, 1997). Active listening, stemming from psychological background (Rogers, 1951), includes two essential parts: listener orientation and reflective technique. The deeper implication of active listening is the willingness to listen in order to form meaning. Listener orientation contains the listener's personality and attitude. Listener orientation should include empathy, respect, acceptance, congruence, concreteness, and undivided attention (Rogers, 1951; Rogers and Farson, 1979). The commonly-used definition of listening in sales contexts includes three parts: the selective act of physical sensing, mental processing and responding to verbal and/or nonverbal messages (Ramsey and Sohi, 1997). A complex cognitive, affective and behavioral activity (Bergeron, 2004), good listening by salespersons has been correlated with customer orientation (Thakor and Joshi, 2005), trust (Drollinger and Comer, 2013; Ramsey and Sohi, 1997), satisfaction in buyer/seller working relationships (Aggarwal et al., 2005), sales performance, and service quality (Bergeron, 2004).

Communication in sales meetings includes both expression (speaking) and listening reception (listening). Sales skills trainings often focus more on expressions, whereas in the literature, listening is mentioned as a significant part of a salesperson's emotional and communication skills (Comer and Drollinger, 1999). By using active empathic listening, the listener communicates empathy and emotions – ensuring that the listener recognizes the speaker's point of view. By showing empathy, the listener indicates understanding, not only of the main

message but also of the emotions, feelings and meanings surrounding the topic (Comer and Drollinger, 1999). Despite evidence showing that listening is required for successful sales, the literature largely overlooks the multifaceted characteristic of active empathic listening (Pryor et al., 2013; Drollinger and Comer, 2013). Sofar, the mechanism how good or insufficient listening manifests in practice, and how it influences customer, remains under-explored.

Methodology

This inductive qualitative study includes two parts, each using unique data sets and analysis methods: 11 video-recorded, authentic B2B sales meetings along with customer interviews conducted right/soon after customers exit from the sales meeting. Table 1 provides an overview of the sample, including multinational companies operating in professional services and other knowledge intensive business services (KIBS).

Table I Dataset information

N	Company name/industry	Size	No. of sales-people	Industry of the buyer company	Size	No. of buyers	Customer exit interview done (yes/no)
1	Business services2	SME	1	Media	Large	1	Yes
2	Business services5	SME	1	Telecom	Large	1	Yes
3	ICTA solutions1	Large	1	Logistics	Large	1	Yes
4	ICTA solutions2	Large	2	Logistics	Large	2	Yes
5	ICTA solutions3	Large	1	Machinery	Large	1	Yes
6	ICTA solutions4	Large	1	Recycling	SME	2	Yes
7	ICTA solutions5	Large	2	Consultancy	Large	2	Yes
8	ICTB solutions1	SME	1	City admin	Large	1	Yes
9	ICTB solutions2	SME	1	Education	Large	1	Yes
10	HR services2	Large	4	Mining technology	Large	1	Yes
11	HR services5	Large	1	Construction	SME	1	Yes

Company selection was based on convenience sampling. Managers from each company encouraged all salespeople within the selected businesses to participate, motivating data collection from the top-down. Using theoretical sampling (Creswell, 2007) within each firm, we

continued data collection until there was reasonable saturation in terms of differences and similarities in the interaction phenomenon. Thus, we assume that there was reasonable variation in the characteristics of our sample. Because theory regarding the affective side of B2B sales interactions is largely under-developed, we employ a grounded theory approach for our research (e.g., Johnson, 2015, Strauss and Corbin, 1998). As is typical for grounded theory methodology, the study employs an open-ended and exploratory data analysis process. During the analysis, we sought to minimize the risk of subjective interpretation (Pope, 2007) by working together as a group of researchers analysing the data to find regularities and patterns while recording emerging topics or themes. The research team met several times during the process to reach consensus, a shared "truth" regarding analysis findings. While there were no hypotheses a priori, patterns emerged from the data reflecting the salespeople's and customers' interactional behaviour.

Part 1 – Qualitative analysis of authentic video-recorded sales calls

In part 1, we sought to explore salesperson-customer interactions from the active empathic listening perspective. Table 1 lists the video-recorded data used in this analysis. The videos were recorded without additional persons in the room, always assuring full anonymity. We used a legally binding research contract. Later on, we transcribed videos using a professional transcription service. Using a multimodal qualitative data analysis technique with authentic video-recorded B2B sales calls, we took into account the content of conversation, voice tone, gestures, and body language. We observed customer reactions to such salesperson behaviours.

Part 2 – Exit interviews with customers

The purpose of the second part of the analysis was to validate the researchers' interpretations of the influence of listening behaviours on customer. To do so, we asked customers direct questions in brief exit interviews conducted face-to-face once the video-recordings were finished. This step allowed us to compare the findings from our direct observations and customers' perceived experiences of salesperson listening. Part 2 data included one exit interview for each of the participants of the 11 video-recorded sales meetings. Lasting 10-30 minutes, the interviews were conducted via telephone or face-to-face within one or two days

of the sales meeting, also recorded and transcribed. Participants were asked to recall the meeting and to provide their thoughts on how it went, what feelings they had and how they were threated in their own words.

Preliminary findings

Our findings highlight that the active empathic listening skills are hard for salespeople to implement into practice, even if they would self-evaluate being good at listening customers. Moreover, our video and interview data suggests that customers can tell how good listeners and performers salespeople are, as customer's subjective feeling is often decisive for the continuation. Many customers openly discussed the emotional perceptions influencing their willingness to either continue or quit the sales process. Next, we elaborate on the salesperson listening behaviour findings based on the video analysis and exit interviews with customers. We suggest and explain three categories in salesperson listening behaviours in Table 2.

Table II Summary of salesperson active empathic listening indicators

Behaviour observed	**Indicators of the behaviour**	**Suggested impact on customer's emotional responses**
Active empathic listening	*Continuing the customer's line of thought vs. ignoring* *Reflecting the customer's messages back to them* *Using statements vs. open questions*	Feeling of being heard and appreciated vs. ignored Feeling of being exhausted vs. enthusiastic Degree of confidence and security in collaboration

We found three repeating manifestations of active empathic listening: continuing the customer's line of thought vs. ignoring it, reflecting back to the customer, and using statements vs. open questions. The best performing salespeople were able to demonstrate positive behaviours in all three categories of active empathic listening. Not only talk but also gestures and body language showing customer oriented attitude of the salesperson. We also discovered that salespeople's abilities in active listening vary a lot. The best ones were able to adapt to various customers, whereas most individuals seemed to repeat their more stable interactional style from one meeting to another. We also found that even if salespeople mentioned being good at listening to customers, their listening often seemed superficial. Situations of superficial behaviour and ignoring the customer's message occurred numerous times. Next, due to the length limit of the paper, we show one example episode of a successful sales interaction, and

one example of a failed interaction. One example of successful manifestation of active empathic listening took place in a meeting between the HR services seller and a construction customer. The excerpt 1 shows a short episode of early part of that meeting.

(Excerpt 1):

1 C: (customer talks based on earlier experience at the competitor). In their uniform, work safety

2 permits OK. ID card OK. Everything is like, it's just, from you we don't get people who aren't

3 capable... We get exactly what we need from you, and we don't need worry. Mmhmm. [The customer snaps his fingers to emphasize his message, the salesperson remains alert and keeps eye contact.]

4 SP: Exactly. That's just how it is. And then sometimes it might depend on how personalities mesh. [SP leans over towards the customer and convinces C with her gaze. C leans suddenly towards SP, fixing his eyes on hers and agrees.]

5 C: Totally.

6 SP: Like the person could be a good worker but something about them just bugs you.

7 C: Something's wrong.

8 SP: .and it's hard to get through to them. [SP keeps eye contact and smiles warmly]

9 C: That's how it is.

10 SP: But even in that situation just remember to call me right away and tell me, this isn't

11 working. So look for someone else, if it turns out that way. We have that…quality warranty

12 there. So it's a good time to try then.

13 C: Yes. There you see what the deal is, how they do and, there are probably the biggest of these,

14 coming up if they come up, biggest renovations here…

15 SP: For sure. What by the way is the make-up of that group of employees?

16 C: Here we have, um, 80 percent Estonians, or well let's say 70 % and the rest are Finns.

17 SP: Is it like some group of subcontractors or?

Here, the SP manifested behaviours of reflecting back on her own words, thus showing that she understood the customer. The SP continued customer's line of interest, instead of jumping back to her own procedure. As a consequence, the customer was well involved and seemed satisfied with the interaction. In the exit interview, the customer told: "It was a really good meeting. I like this kind of salesperson. She was genuine, was able to speak in her own words, understood my thoughts perfectly. She listened to what I said and answered well… I was impressed and definitely will turn to this person.", suggesting that the active listening skills led to a deal. Our

data revealed major differences in salespeople's active listening behaviours. The following excerpt 2 is a short episode of 1,5 hours long initial sales meeting between IT solutions seller and a manufacturing purchasing director.

(Excerpt 2):

1 SP: [minutes long turn using PP presentation]…and then again personal printers, well we can include

2 them in the reporting, but in practice they work quite independently so we aim to get rid of them [The customer yawns twice and looks away, the salesperson doesn't react. The SP occasionally searches for words while looking to the right or left up toward the ceiling]

3 …but then for example there are places like terminals and stuff where the point is just to get the

4 printout out, so for those direct printing is fine in a multifunction printer or then a normal printer.

5 Like we have customers who have 500 machines and of those about 200 are… And then if there's

6 one guy working somewhere it doesn't make any sense that he'd have some badge that he frees up

7 the printer for his own work always.

8 C: No there isn't and we probably have to think just like you said about the user profile to think

9 about it...

10 SP: Yes yes.

11 C: that that would maybe be [pointing towards the PP presentation] the main office and maybe

12 the Americans so-called biggest offices and then if you think of different user profiles there are

13 those that are purely factories or something. [while customer is speaking, the SP sighs slightly and turns back to continue his explanation to the presentation wall.]

14 C: .support..service sites.

15 SP: Yes yes. [SP didn't respond to customer's turn, but continues his own speech]

16 SP: and then the one which is a key selling point, the benefit of that is that with this badge you can

17 if you visit different offices, you can if you take here if you visit in town here and then go to the

18 capitol to some site or, in Stockholm you can do it there. And a big advantage is that… [SP continues his long turn without pausing for couple of more minutes]

In this sales meeting, the SP missed to read and respond to the customer. The SP manifested artificial listening, not genuinely orienting to the customer. As a sign, he interrupted the customer's turns many times and answered: "yes, yes" before the customer finished, and immediately continued his own presentation without tacking customer's issue. Customer started to look anxious and frustrated. In the exit interview, the customer said: " At times, the

meeting proceeded slowly… All the parts presented and discussed didn't really interest me… it was sometimes kind of 'half-forced' listening for me."

We have showed active listening manifestations that seem to influence customers' emotions and the overall trajectory and success of the sales meeting. We argue that these three active listening behaviours (Table 2) influence the customer's energy level and feelings of confidence in collaboration. Reflecting back and using open questions and the recap technique provides the customer a feeling of being heard, appreciated and understood (exit interviews), which builds trust and confidence that the salesperson and customer have shared understanding and meanings, thus encouraging business collaboration. Therefore, our initial analysis suggests that customer feeling in the initial meeting largely determines the success of the meeting. And feeling in turn, largely stems from the salesperson's active empathic listening skills.

Discussion

This study points out that some salespeople have the ability to use active empathic listening behaviours to create an open and constructive atmosphere during the sales meetings, whereas others seem to miss these skills, leading to more insecure and suspicious customer feelings. Active empathic listening manifestations can allow a salesperson to engender desired reactions and emotions in a customer. Thus, our findings encourage salespeople to consider updating their objectives towards the initial customer meetings. It may be effective to focus on building emotional connection and constructive atmosphere through active empathic listening. This can pave the way for successful collaboration, in-depth info sharing and sales deals later on.

The research findings indicate that external observers can easily recognize emotional reactions or signals, while the salesperson involved in the actual situation often misses them. Thus, it is recommended that companies apply methods that allow interactional behaviour to be visible for colleagues and managers in order to achieve learning together. This study also emphasizes the importance of salesperson recruiting and evaluation processes. To evaluate salesperson performance in this matter, companies should consider using either real-life customer encounters or simulated role plays to make their evaluations. This study has theoretical implications that have the potential to impact the way that salesperson-customer interactions

are understood. The methodology – authentic B2B sales calls recorded and analysed and subsequently matched with exit interviews – was able to shed light on several salesperson behaviours that are commonly discussed but rarely directly observed. Indeed, video allowed us to observe discrepancies between the salesperson's perception of ability and the actual demonstrated ability. As is typical in qualitative research, these findings are valid in the context studied. Future work should consider testing these results in a broader spectrum. As our data comes from complex B2B service and solutions businesses, future research may consider testing the findings in more traditional and simpler sales situations. Future research should also examine how these behaviours may manifest and influence in technology mediated customer interaction.

REFERENCES ARE AVAILABLE FROM ANY OF THE AUTHORS UPON REQUEST

Sales Force Change Management in Response to the Emergence of Dominant Retail Chains: A Planned Australian Case Study within the Wine Industry – Chris Blockley, John Wilkinson, Ingy Shafei

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Consistent with developments elsewhere, retail concentration has occurred recently in the Australian liquor sector. There are now two dominant liquor retail chains in Australia. These exert their channel power to obtain favourable business terms from suppliers, including wine producers. The planned action research study will investigate the need for change within a sales force due to the emergence of dominant retail chains. The study also will identify change management challenges within a sales organisation and effective methods to counter those. Results will add to the body of knowledge and inform sales management practitioners about change management within competitive channel environments.

Background

During the past few decades, there have been substantial changes worldwide within many sectors of the retail industry, including continuing retail concentration toward only a few, large retail chains in each sector (Hovhannisyan and Bozic 2016; Raju and Zhang 2005; Zentes,

Morschett and Schramm-Klein 2007). For example, 'the food retail sector in United Kingdom is dominated by four major retail giants' which comprise '90% of the market' (Douglas 2016, p. 90).

These changes have led to a shift in channel power from manufacturers to large retail chains (Grushka 2014; Heese 2010). This typically has resulted in pressure being placed on manufacturers to provide more favourable business terms (Dukes, Geylani and Srinivasan 2009; Zippel, Wilkinson and Vogler 2013) or to lower their prices (Useem 2003). It also has resulted in the successful introduction of private labels by many large retail chains (Grushka 2014). Dominant retail chains 'often prevent manufacturers from implementing preferred marketing strategies', such as '[refusing] to carry more than a limited assortment of a manufacturer's range of products' (Zippel et al. 2013, p. 709).

Consequently, there has been recognition of the importance of identifying 'what the sales force can do to improve the level of cooperation from those [dominant] chains' (Ibid., p. 710) and, specifically, to improve functions and processes in the pursuit of value creation. Potential changes include implementation of new business models and organisational structures which focus on, and partner with, major customers (Piercy and Lane 2003; Womack 2009). Additionally, 'new developments and trends in selling and sales management are creating demands and opportunities that require adaptation and new approaches' (Jones, Brown, Zoltners and Weitz 2005, p. 105).

A study of successful fast-moving consumer goods (FMCG) manufacturers in Germany found many of those firms had set up separate operational and strategic sales teams to manage relationships with major supermarket chains (Zippel et al. 2013). Within such structures, key account managers develop and maintain customer relationships, and negotiate prices, other sales conditions and promotions; while category managers present information about shopper behaviour, sales metrics and product combinations sold in stores. Effective category management enables the supplier to develop new strategies, suggest new ideas (such as better shelf placement) and support retailers to achieve category growth. It therefore seems

that traditional sales organisations that have not yet responded to the emergence of dominant retail chains need to consider changes to the roles of some salespeople and recruitment of salespeople with different expertise from that of their traditional salespeople. Effective change management processes also are likely to be required to achieve effective implementation.

Planned Study

Retail concentration also has occurred within the Australian food and liquor sectors. Specifically, the greatest influence on the Australian liquor industry over the past decade has been the growing market dominance of liquor retail chains owned by two supermarket chains, Coles and Woolworths[*], coming at the expense of independent liquor retailers (Ledovskikh 2017). These liquor retail chains now have a combined market share of about 72% (Roy Morgan Research 2017). Like other alcoholic beverage suppliers, wine producers need to adapt to this changing retail environment to remain competitive within the Australian market. (Anecdotal evidence suggests that very few, if any, Australian wine producers have adapted yet to the recent retail channel developments.)

The first goal of the planned study is to identify the most appropriate sales-related functions, roles and organisational structure for major Australian wine producers. The second aim is to identify (and appropriately respond to) challenges involved in implementing the necessary changes. Broad recommendations are likely to have relevance to all Australian wine producers and, indeed, other Australian FMCG manufacturers generally (given the dominance of the supermarket industry by Coles and Woolworths). Marketing issues such as product strategy – including potential supply of private label products – are beyond the scope of the planned study.

Methodology

A case study method (Hollenbeck, Zinkhan, French and Ji Hee 2009; Otley and Berry 1998; Whelan and Wohlfeil 2006) will be employed in this study. A relatively large Australian wine producer will comprise the research site. The organisation is considered to be typical of the

[*] Under current legislation, liquor may not be sold in supermarkets or other grocery outlets in Australia.

more successful Australian wine producers and to utilise similar sales strategies to its competitors within Australia.

Specifically, action research, 'one form of case study research that … tends to deal with real-world organizational and managerial problems' (Näslund, Kale and Paulraj 2010, p. 331), will be employed in the study. Action research 'is a method of inquiry that seeks to generate and implement practical and actionable solutions' (Simpson and Jackson 2016). It provides a method for involving action and critical reflection within the workplace (Abraham, 2016). Typically, data are collected through discussions, interviews, workshops and observations throughout the project (Young, Mathiassen and Davidson 2016).

Action research has been used in prior studies of change management within sales forces (Ibid.). It 'involves participants as both subjects and learners', and 'is based on the proposition that causal inferences about [human behaviour] are more likely to be valid and enactable when the [people] in question participate in building and testing them' (Saker and Smith 1997). The method is appropriate for the planned study given the resistance to change within a typical sales force (Chonko, Roberts and Jones 2006; Lilford 2014) and, therefore, the need to involve salespeople in the review, planning and implementation processes.

Consistent with prior practice, the principal researcher will work collaboratively with salespeople and other stakeholders to analyse the situation, identify appropriate options, plan changes to the sales organisation and sales roles, implement plans, and monitor the process (Young et al. 2016). Research plans will be developed following completion of a full literature review.

Literature Review

The study will be informed through an extensive review of the literature in the fields of channel management, category management, key account management and sales management, all of which have been identified in prior studies as potential factors influencing appropriate sales-related functions, roles and organisational structure; and change

management, which has been identified in prior studies as a challenge when attempting to implement major changes in sales organisations. Following is a short summary of an initial review of the relevant literature.

Channel management is 'the process of analysing, planning, organising, and controlling a firm's marketing channels' (Mehta, Rosenbloom and Anderson 2000, p. 81). Over the past few decades, the traditional form of channel management, in which a manufacturer had the role of channel captain, has disappeared as channel partners have become more powerful (Gadde 2016). Consequently, there have been numerous calls for 'collaborative relationships' or 'alliances' between manufacturers and their channel partners, in which both partners aim to improve their performance, 'relying on trust and information sharing'; with many examples of improved performance being attributed to such relationships (Ibid., p. 141).

Key account management (KAM) is a 'natural development of customer focus and relationship marketing' (McDonald, Millman and Rogers 1997). It 'involves targeting important customers by providing them special treatment in the areas of marketing, administration and service' (Gounaris and Tzempelikos 2013, p. 129). Prior research suggests that effective KAM programs typically lead to improvements in meeting customer needs and providing value, in turn increasing trust and relationship quality (Ibid.). Emphasis on KAM is consistent with increasing recognition of (1) the importance of long-term relationships rather than short-term, transactional relationships, and (2) the heterogeneity of customers with respect to their value to the manufacturer (Richards and Jones 2009). Relatively recent KAM developments include the use of 'core selling teams' (Arnett, Macy and Wilcox 2005, p. 27) to develop – rather than just implement – sales strategy for a given key account. Importantly, a supplier requires particular 'competencies and strategic insights' to achieve a viable and sustainable relationship (Henneberg, Pardo, Mouzas and Naudé 2009, p. 545).

Category management (CM) involves 'analysis of category-level data, setting goals for category performance, and the formulation and execution of plans to maximize category-level results' (Gooner, Morgan and Perreault 2011, p. 18). Since FMCG retailers tend to stock vast

numbers of products across numerous categories, they often lack the resources to effectively manage all categories they stock. This provides the opportunity for a manufacturer to act as a 'category captain' and to 'manage the category' – including competitive brands within that category – for individual retailers (Ibid.). Importantly, research findings by Gooner et al. (2011, p. 28) suggest that 'more intensive CM efforts bring performance benefits' to 'retailers and suppliers' alike, including suppliers not involved in those CM activities, contradicting earlier findings suggesting that retailers would attempt to claim all benefits from CM activities.

Various developments in the external environment are leading to changes in the role of sales managers 'toward that of channel manager', in turn requiring 'new emphasis' to be placed on their recruitment and training (Anderson 1996, p. 30). 'Sales managers are being held accountable for continually improving the efficiency and effectiveness of their salesforces', and some organisations have re-structured their sales operations to increase effectiveness by better matching 'how customers want to buy' (Ingram 2004, p. 24). Therefore, the roles of sales managers are likely to evolve due to changes in both their own responsibilities and the required leadership of their evolving sales organisations.

Colletti and Chonko (1997) argue that change management needs to focus on strategic, rather than operational issues, and to take account of both social (people-related) and technical aspects of change, to achieve a successful transition toward a high performance sales organisation. The importance of social issues is reinforced in the following comments by Finney and Scherrebeck-Hansen (2010, p. 330): 'there is substantial literature that considers the process of change management and how the process should unfold. There is a belief … that stakeholders play a significant role in changing organizations and in order to motivate employees, the employees must believe that something is wrong and something needs to change'.

Theoretical frameworks and best practice within the above-mentioned areas still need to be identified through much more extensive reviews of the academic and practitioner literature, and then applied to the planned research situation. The literature reviews also will inform the

development of required research instruments, and the initial approach to the implementation of the change management program developed to enhance the effectiveness of the sales operations.

Discussion and Contributions

The planned study is expected to enable identification of appropriate sales strategies for wine companies – and other FMCG manufacturers – within the Australian retail context, and to identify challenges arising from introducing major changes within a sales organisation and appropriate means to counter those challenges. Findings will add to the body of knowledge regarding (1) the application of channel management, category management, key account management and sales management, and (2) the implementation of change management programs within sales organisations; and provide guidance to other Australian – and perhaps overseas – firms facing dominant channel partners.

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Increasing Employee Commitment in Sales Careers: Drivers to Supervisor Commitment and the Impact of Emotional Intelligence – Michael Rodriguez, Scott Cohen, Stefanie Boyer, David Locander

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Millennials/Generation Z present a challenge to organizations as they enter the workforce: organizational turnover which costs the US economy over $30 billion annually (Adkins 2016). Our conceptual model looks at three driving factors, Coachability, Grit, and Psychological Capital impacting supervisor commitment. The conceptual model also introduces emotional intelligence (EI) and how EI moderates the relationship between the supervisor commitment and turnover intentions. The objective of this exploratory research is to understand factors that lower turnover for the millennials/Gen Z generation and stress the importance the supervisor has on this unique cohort.

Introduction

Today's sales manager is faced with many challenges in terms of recruitment and retention of the sales force. The problem is especially concerning with the current generation: Millennials and Gen Z. A recent research report by Gallup found that 21% of millennials have changed jobs within the past year and 60% are open to new job opportunities which is 15% higher than non-millennial generation (Adkins 2016). Millennials are also the most willing to act on better opportunities: 36% report that they will look for a job with a different organization in the next 12 months if the job market improves, compared with 21% of non-millennials who say the same. In its 4th millennial survey, Deloitte consulting found a loyalty challenge amongst business organizations. In order to manage customer relationships, sales leadership need to find ways to recruit the "right" employee who will stay loyal with the firm for the purpose of driving customer satisfaction and long term performance.

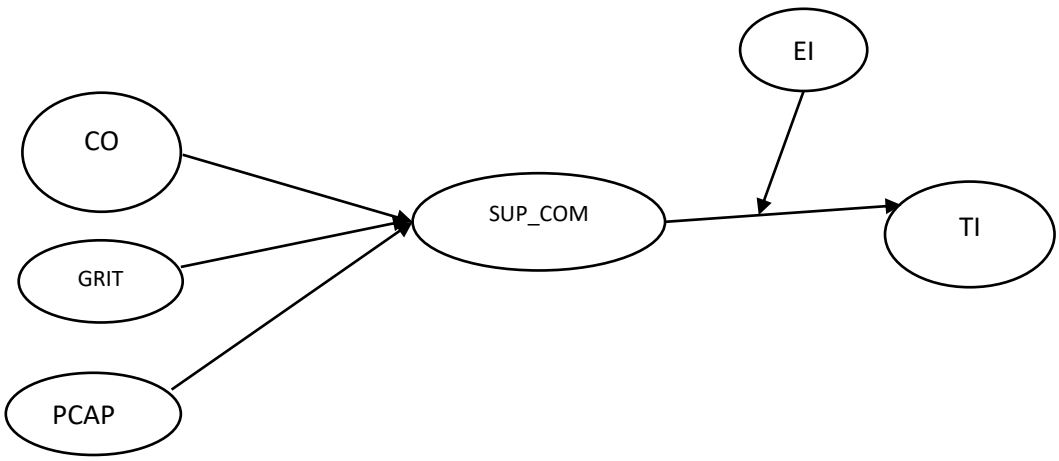
The following paper introduces a conceptual model that focuses on the importance of supervisory commitment in turnover intentions and also the impact emotional intelligence has between an employee's commitment to a supervisor and the likelihood of leaving the organization. The discussion on the relationship between emotional intelligence and sales performance has been highly researched. Emotional intelligence (EI) is defined as one's ability to perceive, understand and manage their emotions as well as others. The emotional intelligence theory suggests that individuals who are high in emotional intelligence are likely to exhibit a higher level of performance outcomes (Wisker and Poulis 2015). It is argued thought that the link between EI and performance is not always direct (Cote and Minders, 2006). One aspect that has not been researched is the relationship between EI and loyalty.

With the emergence of millennials and Gen Z entering the workplace, one of the biggest challenges discussed amongst researchers and practitioners is this generation's inability to stay committed to an organization. The "loyalty challenge" threatens to become a bigger concern in the future for global firms. Though there is a large body of research on turnover and understanding Generation M, there is very little research on Gen Z or the impact of emotional intelligence on organizational turnover. We propose that in order for an

organization to succeed and achieve long term performance, stability and employee commitment is key to reach sales objectives. With firms currently experiencing high turnover amongst the new generation of sales professionals, how can organizations meet the needs of their clients, retain them or increase customer acquisition? While previous research has contributed greatly to the relationship between EI and sales performance, our study uniquely contributes to the existing body of research in several ways. First, to the best of our knowledge, there is little to no existing research focused on EI and organizational turnover. Second, few studies have examined other constructs such as coachabilitity, Grit, or Psychological Capital on supervisory commitment. Third, we examine the moderating impact emotional intelligence has on turnover intentions.

Conceptual Model

Figure 1 presents a model which discusses the drivers of supervisor commitment which are: Coachability, Grit and Psychological Capital. The model was developed from a qualitative study (Rodriguez et al. 2017) in which these factors immersed from the interviews with sales managers. The study also presents the relationship between supervisory commitment and turnover intentions which is moderated by emotional intelligence. We first discuss the variable of supervisory commitment and its importance.



Supervisory Commitment - Commitment is defined as "a force that binds an individual to a course of action relevance to one or more targets" (Meyer and Hersocovitch 2001, p. 301). There has been a dearth of research measuring an individual's commitment to an organization but very little on their commitment to a manager or supervisor. Previous research has also shown that overall commitment to an organization does not lead to overall performance (Becker et al. 1996) but that commitment to the an individual to the supervisor drives positive results. In earlier research Becker (1996), found that "commitment to top management, supervisor, and work group were important determinants to job satisfaction, intent to quit and prosocial organizational behaviors over and above commitment to an organization" (p. 232). In other words, loyalty from the employee to their supervisor is what drives individual job performance which is then linked to overall commitment to the organization. Before discussing the relationship between supervisor commitment and turnover intentions (likelihood of leaving a firm), our conceptual model introduces several antecedents that drive supervisor commitment.

Coachability - Coachability is defined as "the motivation to improve one's sport skill, inquisitiveness, openness to learning and trust and respect for the coach and his or her training process" (Giacobbi 2000, p. 42). Shannahan et al. applied the same concept and definition to sale and operationalize sales coachability as "the degree to which salespeople are open to seeking, receiving and using external resources to increase their sales performance in a personal selling context" (2013, p. 41). Based on this logic, coachable sales people will look to their managers on advice on managing clients, knowledge and best practice in managing the sales process. The sales person looks to the sales manager as a coach providing willingness to learn from them and seek direction and feedback during their sales careers. This relationship between sales employee and sales manager may not only potentially enhance sales performance but also turnover. Therefore, we propose:

P1: *There is a positive relationship between coachability and supervisory commitment*

Grit - Sales turnover has been an ongoing and perhaps increasing problem due to the new generation's inability to deal with adverse conditions in the sales environment. The ability to deal with challenges and being able to adapt is identified as "grit". Dr. Angela Duckworth defines grit as the ability of "working strenuously toward challenges, maintaining effort and interest over years despite failure, adversity and plateaus in progress" (2007, pg. 1087 -1088). According to Duckworth grit is committing to initiatives long time and mastering them. In her paper, she writes that "the gritty individual approaches achievement as a marathon; his or her advantage is stamina. Whereas disappointment or boredom signals to others that it is time to change trajectory and cut losses, the gritty individual stays the course" (2007, pg. 1088). In Duckworth's research, she theorizes that grit positively correlates with high achievement of success. We also theorize that grit can assist sales individuals in developing relationships with their direct managers. "Gritty" employee communicate with their managers on consistent basis and are able to receive advice and direction on job responsibilities. Therefore, we propose;

P2: *There is a positive relationship between grit and supervisory commitment*

Psychological Capital - Another individual trait that likely plays a role in developing quality networking relationships with sales managers is psychological capital (PsyCap). PsyCap comes from the positive psychology and organizational behavior literatures and is considered a quasi-trait consisting of four positive psychological resources: hope, efficacy, resilience and optimism (Luthans, Avolio, Avey & Norman, 2007). According to Avey, Luthans, and Youssef (2010, p. 439) "PsyCap's agentic thinking has a motivating impact that can enhance internalization, determination, and pathways thinking, which contradict with the 'giving up' and despair associated with cynicism." Thus, within sales employees, we believe that PsyCap will influence a sales professional's ability to be resilient, self-motivated, innovative, and proactive in developing and maintaining quality relationships with their direct supervisor. Therefore, we propose;

P3: *There is a positive relationship between psychological capital and supervisory commitment*

Turnover Intentions -Turnover among the professional business force can be a significant problem; especially turnover with millennial hires. It's no secret that millennials have been analyzed and described as "entitled", "confident" , "impatient", "tech savvy" and "unable to handle adverse conditions". Whether we agree or disagree these descriptions, the reality is

that turnover is a bigger problem today than it was 20 years ago and may potentially become bigger with the introduction of Gen Z. Turnover Intention (TOI) is defined as the extent of an employee intending to leave their organization (Netemeyer et al. 1996; Bothma and Roodt 2013). Previous research has found that overall commitment to supervisor is positively related to job performance (Becker et al. 1996). TOI is commonly modeled as an ultimate outcome in studies of human behavior in organizations, i.e. performance (e.g., Chandrashekaran, McNeilly, Russ, and Marinova 2000), therefore we proposed that,

P4: *There is a negative relationship between supervisory commitment and turnover intentions.*

Emotional Intelligence The theory of Emotional intelligence (EI) is rooted in the theory of Social Intelligence (SI) which was popularized by Thorndike 1921 article in Harper's Magazine. Social intelligence has been defined "as the ability to perceive one's own and others' internal states, motives and behaviors and to act toward them optimally on the basis of that information" (Mayer & Salovey, 1993, p. 435). Mayer and Salovey (1997) define emotional intelligence (EI) as "the ability to perceive accurately, appraise, and express emotion; the ability to access and/or generate feelings when they facilitate thought; the ability to understand emotion and emotional knowledge; and the ability to regulate emotions to promote emotional and intellectual growth" (p. 10). Their ability-based conceptualization of EI consists of four dimensions: perceiving emotion, facilitating (or using) emotion, understanding emotion, and managing emotion. Other EI researchers consider emotional intelligence to be a trait (Goldman, Nagel, & Preiss, 1995). EI, provides a theoretical basis for studying how sales professionals create quality relational ties and commit to both the supervisor and their organization. We believe EI sales professionals have a greater capacity to interpret, understand and detect the nuances of emotions within their organization and as such, are able to make decision on commitment through emotional regulation and control. Research has found that individuals with high EI are able to deal with ambiguity, decision style and amount of time spent indirect work activities. We believe that the relationship between supervisor commitment and turnover intentions may not always be direct. In times of unclear objectives, uncertainty within the organization, EI can influence the relationship between commitment to the supervisor and commitment to the organization. Therefore, we propose;

P5: *Emotional intelligence moderates the relationship between supervisory commitment and turnover intentions*.

Conclusion

As both Millennials and Gen Z move into the salesforce, organizations need to consider how they evaluate sales talent in order to decrease the concern of organizational turnover. In our conceptual model we focus on the importance supervisor commitment plays in an employee leaving the firm. We first looked at several constructs that drive supervisor commitment: Grit, Coachability and Psychological Capital. Sales employees that are able to receive feedback, direction, advice, and constructive criticism will look at their supervisors as mentors and therefore have a high level of commitment towards them. We finally discussed the impact emotional intelligence (EI) has between supervisor commitment and turnover intentions. EI provides a theoretical basis for studying how sales professionals create quality relational ties with their supervisors. We believe sales employees with higher EI have a greater capacity to interpret, understand and detect the nuances of emotions within their organization, and as such, are able to make decisions through emotional regulation and control.

From an academic perspective, this research serves as an initial look at the impact of EI has on commitment to both the supervisor and the organization. This conceptual model should serve as a starting point into the impact of this EI has on turnover intentions.

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The Exchange of Value Produced By Sales Activity – Kotaro Mukai

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From feedbacks of sales education, I can detect two more new values as Motivation Value and Learning Value in addition to Information Value, Advice Value, Operation Cost Reduction Value, Labor Offer Value, Development Support Value and Other Value. These eight values can be classified into five values (Information Value, Advice Value, Operation Cost Reduction Value, Labor Offer Value and Other Value) to customer and into three values (Development Support Value, Motivation Value and Learning Value) from customer. Customer value can be exchanged with two ways logistics rather than be created.

Theoretical background

(1) Six Customer Values (Nakanishi, 2010)

1. Information Value: Appropriate information provided by sales person reduces customer’s risk of decision-making and leads to better decision.
2. Advice Value: Sales person can lead customer’s purchase to right direction by right advice even when customer doesn't have a clear intention to purchase.
3. Operation Cost Reduction Value: In the joint work of seller and purchaser as supply and

demand joint activity, sales person can increase customer's value by reducing ratio of customer's business burden.

4. Labor Offer Value: Sales person offers labor not related to sales of products occasionally.
5. Development Support Value: Sales person negotiates with development sector or manufacturing sector to promote product development from standpoint of customer when sales person knows that current product can't meet customer's needs.
6. Other Value: The matter unrelated to purchaser's needs and their solutions for the time being (fame of seller company, for example).

(2) Four Selling Styles (Shimaguchi, 1997)

1. Action Based Type: Sales person provide a customer value by the additional labor offer.
2. Adaptive Type: Sales person serves to the customer by using company reputation and specialty.
3. Proposal Type: Sales person provides a customer value on information, advice and so on to a customer.
4. Workshop Type: Sales person makes efforts toward the solution by coordination with customer, development sector or manufacturing sector and sales person.

(3) Six Customer Values plotted into Four Selling Styles (Nakanishi, 2010)

The solution of purchaser's needs	Seller knows	Seller does not know
Purchaser knows	(1) Action-Based Type Labor offer value (Operation Cost Reduction Value)	(2) Adaptive Type Other Value
Purchaser does not know	(3) Proposal Type Information Value Advice Value Operation Cost Reduction Value (Development Support Value)	(4) Workshop Type Development-Support Value

(Source: Nakanishi and Noborisaka etc. 2010)

(4) Four functions of sales activity (Nakanishi, 2010)

1. Communication Function: Sales person provides information from own company to customer and gathers information about customer to company.
2. Selling Function: Sales person has to explore potential customer, contact and negotiate with customer, conclude their contract, and recover charge as supply-demand joint function of core sales activity.
3. Customer Relationship Maintenance Function: Sales person must execute work to maintain long term and good relationship between company and customer.
4. Development Coordination Function: Sales person sometimes intervenes into development process or improvement process as customers' position and plays as coordinator between company and customer.

(5) Good sales person can be born or made (Delves Broughton, 2012).

(6) Customer value could be produced by seller to customer or could be co-created in exchange (Le Meunier-FitzHugh and Douglas, 2016) between seller and customer.

Question

Through the style and function of sales activity, these Six Customer Value has been considered to be created (Nakanishi,2000). But, only Development Support value has different factor with the standpoint of value logistics between the Six Customer Values. This value can be offered from customer to seller and another five values could be offered to customer from seller. So, only this value may be different in kind. The value produced by sales activity may have two vessels and may not only be created from seller to customer but also may be created from customer to seller

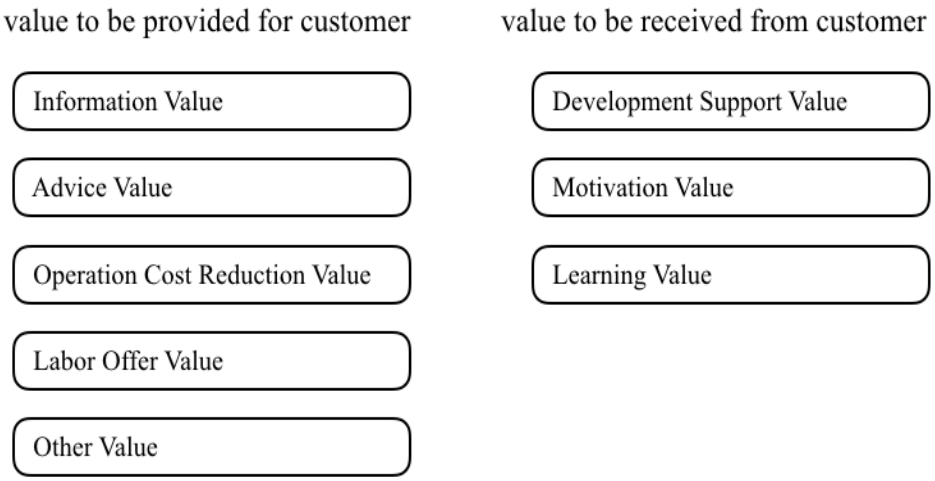
Methodology and Approach

By introducing an exercise of sales activity to my classes, I have tried classifying 1942 feedback comments from students over four seasons into the six customer values. But I have found 372 feedbacks that cannot be classified into each value between six customer values. These feedbacks contain another eight different factors as toughness of negotiation, affection toward product, fun, suitability for sales force, motivation, career development, potential development and learning. This ratio is 52: 25: 27: 4: 93: 21: 29: 121, and feedbacks show that many people recognize motivation factor and learning factor by various reactions from customer. So, another new two customer values may be able to be added to six values. Customer sometimes gives many information and brings knowledge to sales person such as feedbacks of products, business moral, complaints and advices about business performance of sales person. The factor of affection, fun and suitability for sales force can be contained to motivation because these factors will contribute to produce motivation, and the factor of career development and potential development can be contained to learning because these factors are seeds of learning. I can classify 372 feedbacks into new two major value factor such as motivation and learning. and add these two values to six values.

Findings and Discussion

Detecting these new two value factors in addition to six values, I define new two value. One is “ Motivation Value ”, and the other is “ Learning Value ”. Motivation Value is the value that bring motivation to sales person about sales person’s job or mission through the communication between sales person and customer. Learning Value is the value that bring knowledge to sales person or company through pointing out, guidance, advice, rebuke and education about sales person’s job or mission through communication between sales person

and customer. I can divide eight values into two categories as value to be provided for customer and value to be received from customer. Five values to be provided include Information Value, Advice Value, Operation Cost Reduction Value, Labor Offer Value and Other Value. Three values to be received include Development Support Value, Learning Value and Motivation Value.



Both value to be provide for Customer and value to be received from customer exist, value can be offered and received between customer and seller such as motivation value and learning value. In other words, value can be exchanged between customer and seller in sales activity rather than be created by seller or customer. And Motivation Value and Learning Value will be produced in every four styles of sale activity. Reaction from Customer will be brought from every four styles. So, these two values will be plotted into every four selling styles. Value for customer will be provided variously with styles, value from customer will be provided with every styles.

Through this finding, I define that sales activity is the activity coordinated with three factors as full use of four functions, exchange of eight values and transforming styles. With this definition, sales activity is not limited in mere selling procedure but is densely composited activity. Many Japanese company perform this sales activity as “EIGYO” (I will use Japanese Romanized term as this composite activity). Furthermore, I define that EIGYO as sales activity is directed to produce and complete the value exchange process through direct human contact between customer and seller company.

Learning Value and Motivation Value will produce various potential assets for seller company, visualization of value. And converting value to asset will be important mechanism for sales

management. By this converting, the evaluation of sales person's performance will be more precise, the more diverse the sales person's activity. So, these values can contribute to evaluation of sales person's account in addition to sales volume and revenue volume. I would like to research the development of concrete methods to link the exchanged values to performance evaluation of sales people and sales organization.

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Digital & Social Selling Index: An Empirical Investigation into Its Nature, Antecedents and Consequences

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Taking a managerial perspective, and using a sample of 544 sales professional in a major European country, this study empirically investigates the adoption of digital social media tools by salespeople in their job, develops a Digital&Social Selling Index aimed at measuring the personal and organizational readiness in the adoption of digital tools, and analyzes the drivers and consequences of digital readiness.

Research background and objectives

The research presented here is a work in progress of a broader research project. Its purpose is to shed some light on an extremely relevant but so far largely overlooked phenomenon, i.e. the adoption of digital social media by salespeople. We know too little about the nature, goals, drivers and consequences of digitalization of sales forces. Even more important, empirical studies on the topic are extremely poor. This is unwelcome, especially because, in general, the successful implementation of supporting technologies in sales processes is still controversial. For example, even if 75% of the salespeople realize that technological means are a fundamental part of their job, 55% of them see these means as a hurdle rather than a toll

capable of facilitating the achievement of their objectives. 59% of salespeople declare that they have to use too many tools and 56% think these are not sufficiently personalized. As a result, only 15% of salespeople believe these tools are really efficient and only 13% states using them to their full potential (Accenture, 2016).

Several studies conducted on the consequences of the adoption of technological tools in sales forces revealed controversial findings: for example in a research of CSO Insights (2012) only 15% of the interviewed managers declared to have experienced a positive financial impact thanks to the usage of such tools.Among the technological means, digital tools and social media are increasingly attracting the attention of academics and practitioners, particularly in the sales field.

A rising number of companies declares using social media to manage client relations (Houssem, 2013), but the majority of these companies also admits using them in an experimental manner (McKinsey, 2012). In short, the nature, extent, goals and success of the adoption of digital and social media by salespeople are largely unexplored. Most academic research on this topic has a theoretical nature and has only developed conceptual models, which have been tested very little empirically. Although it is generally posited that the usage of social media improves customer relationships and then, with time, this can generate higher returns (Rodriguez, Ajjan e Peterson, 2016), it is intuitive that the technology per se does not necessarily produce positive results. Actually, the literature on this topic has underlined that the success of the salespeople's adoption of technological tools, and their influence on the company's performance, depends mainly on the existence and the setup of specific processes, on the availability of specific individuals and organizational competencies and on the general organizational support (Marshall et al., 2012).

Starting from these premises, it seems relevant to empirically analyze how and to what extent digital tools and social media are used by salespeople, what drives the adoption of digital tools by sales forces, and what consequences are generated by such an adoption. This study has four fundamental goals:

1. Describing the current use of digital social media tools by sales forces
2. Developing a Digital&Social Selling Index, measuring the "readiness" in the adoption of digital tools by sales forces
3. Analyzing individual-level and environmental drivers of this readiness
4. Analyzing the consequences of this readiness

To achieve these goals, we used data collected on a sample of 544 sales professional in a major European country.

Describing the current use of digital social media tools by sales forces

The social media digital tools investigated in our research are the 12 types used in the study by Moore, Raymond and Hopkins (2015), plus instant messaging (e.g. Whatsapp, Skype), i.e a set of tools which was not considered in the original study but impressively grew since then.

Importantly, and in sharp contrast with the study by Moore, Raymond and Hopkins (2015) we clearly and explicitly asked respondents to consider their use of such tools in work-related activities, and for work-related goals. We believe this is a very important precondition, omitted in the original study. Omitting to specify this aspect clearly drives to an overestimation and an inflation of data about the adoption of such tools, because respondents may use them (e.g. Facebook) in their private life, but not for their job.

Among these 13 tools, in our study, only two are used by the majority of respondents: instant messaging systems (Whatsapp, Skype) by 63.8%, and Social & Professional networking (e.g. Linkedin, Facebook) by 63.6%. Then there are platforms for watching videos (e.g. Youtube) (29.2%), tools for online conferencing/webinars (e.g. Adobe Connect) (19.1%) and tools for slide and presentation sharing (12.9%). All other tools (e.g. micro-blogs, online communities, RSS feed readers, live interactive broadcasting, social bookmarking, etc.) are used by less than 10% of respondents. In sum, 10.5% of respondents in the sample use no digital tool, 27.9% use only one out of the 13 tools under investigation, 23.7% use two of them, 27.4 uses 3 or 4 tools, and only 10.5% use more than 4 tools.

Developing a Digital&Social Selling Index: measuring the "readiness" in the adoption of digital tools by sales forces

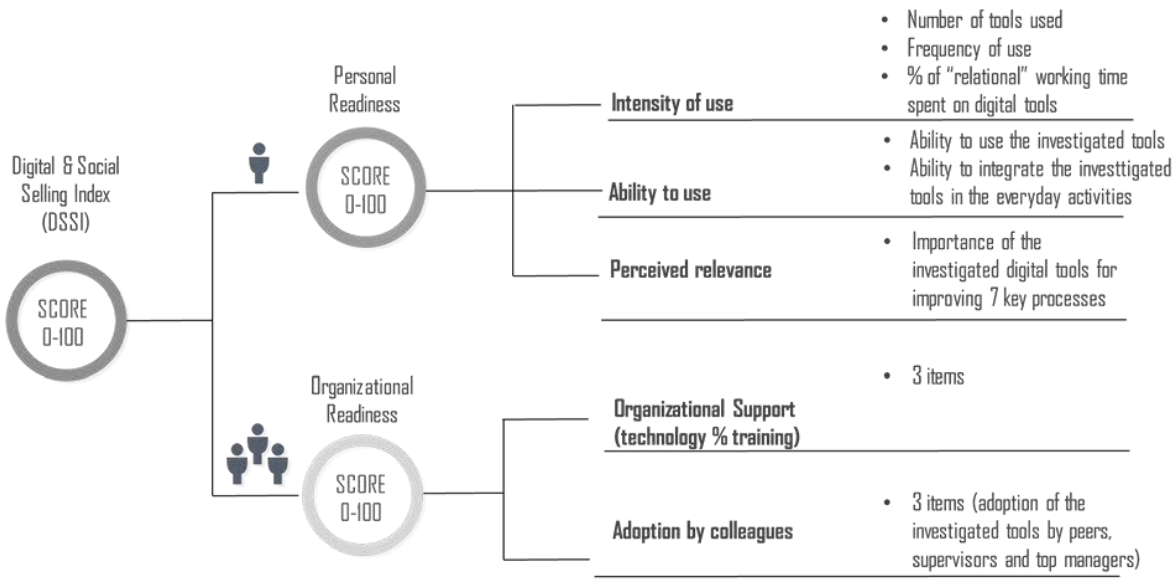
A fundamental goal of our research was to develop a Digital & Social Selling Index (DSSI) aimed at assessing the current situation of a company and therefore allowing benchmarking processes (i.e. comparing different companies, or sub-units of one company only, like different business units or regional offices, for example) and supporting the identification of gaps, priorities for intervention, roadmaps, etc.

Based on our review of literature, as well as on a qualitative research phase based on interviews and focus groups with managers, we developed a conceptualization of such Index built on two macro- dimension: the personal readiness of the individual respondent, on the one side, and the organizational readiness of the company (or business unit) the respondent works in.

The personal readiness measure includes three sub-dimensions: (i) the intensity of use of digital tools, (ii) the ability to use digital tools, and (iii) the perceived relevance of digital tools for achieving job- related goals. More in detail, "intensity of use" incorporates three measures (number of tools used, frequency of use, and % of total relational working time spent using them), "ability" summarizes two items (i.e. the self-reported ability to use the investigated social media, and the capability to balance social media and traditional tools, thus integrating the use of social media in daily work activities) and "perceived relevance" refers to importance of tools for 7 different key processes (e.g. acquiring customers,nurturing relationships with existing customers, generating innovative ideas and solutions, sharing knowledge internally, with colleagues, etc.).

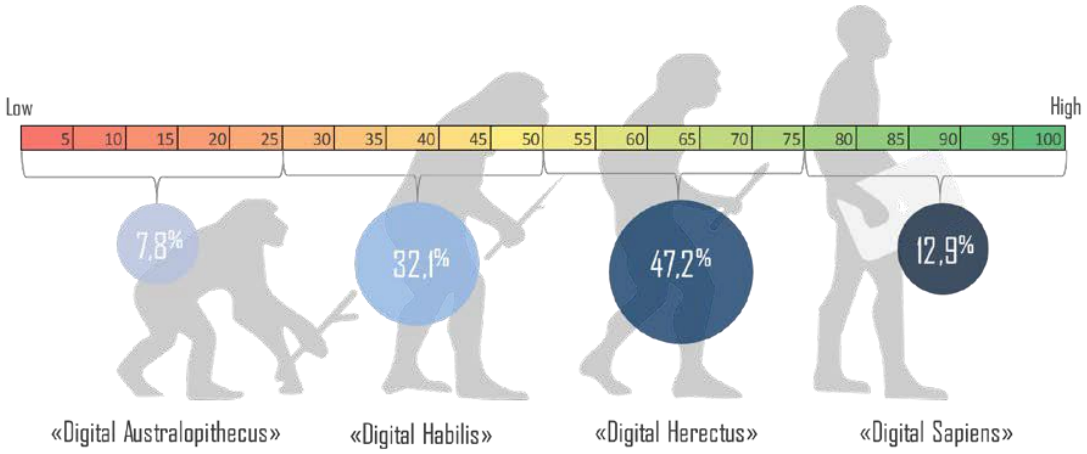
The organizational readiness measure incorporates two sub-dimensions: (iv) the perceived support provided by the company (in terms for example of technology and training) to facilitate the adoption of digital tools; and (v) the degree of adoption of digital tools by other members of the organization (more precisely, peers, supervisors, and top managers). Both sub-dimensions were measured by 3 items. Figure 1 synthesizes our model.

Figure 1: The structure of the Digital & Social Selling Index



By combining these different indicators, the DSSI computes an aggregate score (on a 0-100 scale). Figure 2 depicts the distribution of respondents in our sample: 7.8% are below 25 in the Index and are therefore labelled as "Digital Australopithecus"; 32.1% get a score between 25 and 50 and are therefore defined as "Digital Habilis"; 47.2% are between 50 and 75 ("Digital Herectus") and 12.9% reach the level of "Digital sapiens" (i.e a score higher than 75).

Figure 2: Distribution of respondents along the DSSI score



The aggregate score of the DSSI is a synthesis of its two macro-dimensions, i.e. personal and organizational readiness. Interestingly, although we found evidence of a significant correlation between the "personal" and the "organizational" readiness constructs (r=.489), we identified four situations, as a combination of being above or below average on each of the two dimensions (Figure 3). Clearly, in many circumstances there are highly digitalized individuals operating in a poorly digitalized organizational context (Q3) and vice versa (Q1). Such an analysis can be very helpful for companies to identify improvement priorities.

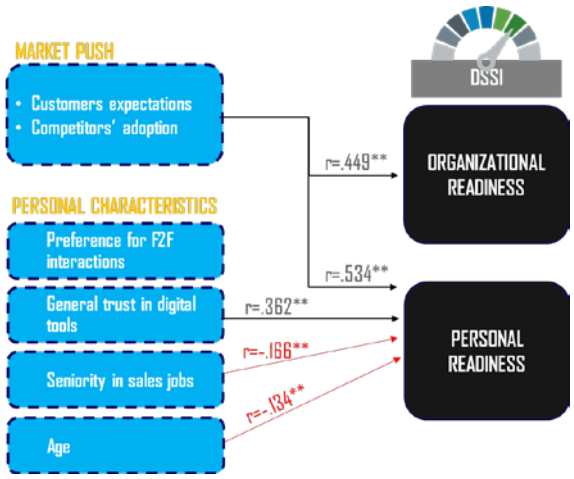
Figure 3: Distribution of respondents along the two dimensions of the Digital & Social Selling Index

Analyzing individual-level and environmental drivers of the DSSI readiness dimensions Looking at the antecedents, in order to identify the drivers of digital social media tools usage, we used the MOA framework (motivation-opportunity-ability), suggesting that readiness could be affected by both individual and contextual aspects. In our model, contextual opportunities are represented by the specific conditions of the market environment, i.e. the propensity of competitors and customers to use social media in business relations. The key hypothesis here is that both factors should represent a "market push" and should therefore positively influence both the personal and the organizational readiness dimensions of the DSSI. Regarding individual variables, motivations and ability in our model are interpreted in terms of the personal interaction preference, in terms of attitude to prefer face-to-face interactions in social relationships (as opposed to technology-mediated forms of interactions), and the general attitude towards social media in the daily life. In our model, preferring face-to-face

interactions should negatively influence personal readiness, whereas a positive attitude towards social media in the private life should increase the willingness to use them in the professional context as well, therefore increasing personal readiness. Finally, we hypothesize that job tenure and age are negatively related to personal readiness.

As depicted in Figure 4, all our hypotheses are supported, with the exception of the individual preference for F2F interactions, which has no significant impact on an individual person's adoption of digital tools in the job. As expected, market push increases both the personal and the organizational readiness dimensions of the DSSI. General trust in social media increases personal readiness, whereas age and job tenure are negatively correlated to it.

Figure 4: Drivers of DSSI readiness dimensions



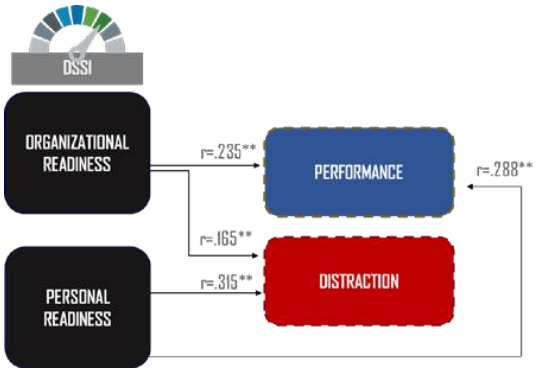
Analyzing the consequences of the organizational and personal readiness dimensions of the DSSI index

In our model, we investigated the consequences of digital readiness in terms of the impact of both organizational and personal readiness on commercial performance, on the one side, and distraction, on the other. In fact, with the latter we wanted to investigate a potential "dark side" of digitalization. As depicted in Figure 5, both dimensions of the DSSI Index have a

positive, significant impact on (self-reported) performance (i.e. goal achievement), but also on distraction.

Furthermore, to get a more fine-grained picture, we analyzed the impact of the aggregate measure of the DSSI on several sub-indicators of performance. The impact on process outcomes (generating ideas, developing solutions, etc.) is stronger than the impact on bottom-line performance. Importantly, however, the impact is significant for all the indicators investigated in our study.

Figure 5: Consequences of DSSI readiness dimensions



Conclusions

We have just scratched the surface of a very relevant but still largely unexplored phenomenon.

We believe the findings presented here can stimulate an interesting debate about the current state of digitalization, on the one side, and the research opportunities in this field, on the other. By discussing the insights, the limitations, the difficulties in designing and running this study, both academics and managers can benefit from a fruitful discussion about what should be done, why and how from their different but complementary perspectives.

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