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ARTIFICIAL INTELLIGENCE HELPS B2B ORGANIZATIONS PRACTICE SUSTAINABLE SALES

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ABSTRACT

Artificial Intelligence (AI) as a part of the B2B sales process is an interesting research area. How will AI change the ways of B2B selling, and are there opportunities to do sales more sustainably with the help of AI? This was the starting point for our study. We collected qualitative data of three Finnish companies which sell AI technologies applications to automate the sales operations of their customers. Our preliminary findings show that AI can in the best cases shorten the sales process and this can in many ways support the sales organization's activities towards a more sustainable way of sales practices.

LEARNING TO TAKE THE NEXT STEP: THE UNFOLDING OF DIGITALIZATION IN B2B SALES ORGANIZATIONS

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ABSTRACT

Digital transformation is drastically changing the ways B2B sales organizations operate, and the speed of change is only expected to accelerate. Despite the pressing need for more scholarly knowledge on the topic, there is scant research scrutinizing sales digitalization from a holistic and processual perspective. The purpose of this study is to understand the unfolding of digitalization in B2B sales organizations. Based on a qualitative and explorative study we offer a (preliminary) data-based grounded theory on digitalization in B2B sales organizations as an unfolding process and explicate the nature, dynamics, phases and contexts for digitalization.

SALES EXCELLENCE IN THE DIGITAL ERA: TOWARDS A NEW CONCEPTUAL FRAMEWORK

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ABSTRACT

In this conceptual paper the authors provide a new approach for sales excellence in the digital era. Besides clarifying the objective and identifying the major dimensions of sales excellence in the context of digital transformation, the paper will particularly provide a concept for a proper sales excellence assessment as well as shed some light on the implications and costs of not following the sales excellence approach.

SALES JOURNEY IN THE B2B SYSTEM BUSINESS – THE SELLING PROCESS AND THE SALES ORGANIZATIONAL STRUCTURE IN THE AGE OF THE DIGITAL TRANSFORMATION

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ABSTRACT

The purpose of this article is to show the exploration on the sales process and the derived sales organizational structure in the B2B system business in the age of the digital transformation. Important influencing factors such as new technologies, new buyer behavior and product complexity are considered in the work. The aim is to develop reference models of the future selling process / sales journey and the sales organizational structure that companies can use to orient themselves on the path of digital transformation in B2B sales.

INTRODUCTION

The sales department is one of the divisions of a company, that have a direct impact on the profit (Krafft et al. 2004). With a proper sales organization, companies have a good opportunity to set themselves apart from the competition. This paper examines how the selling process has changed due to digitization and the subsequent influence factors. The work here focuses on the system business. It is being investigated whether the classical sales process still exists or whether the systematic tracking and processing of the customer journey will determine sales in the future. In addition, this research gives recommendations how the sales force in B2B companies should be structured in the age of the digital transformation in order to be effective and in the best case even more successful than the competitors.

Currently we are facing an age of change. The topic of digitization affects us everywhere and at any time. Both privately and in the business sector. Obvious, the focus of the work is on the latter. There are many different industrial challenges which companies are facing like the demographic change, the globalization, new working environments, adapted behavior patterns and of course the important field of new technologies. Researchers and practitioners in the field of sales agree: The digital transformation will fundamentally change the B2B sales (Minsky 2016). However, there is confusion about what the changes will look like (Singh et al. 2019). There is no clear opinion on whether sales specialists will be needed in future or an AI will take over this work (Moncrief 2017; Singh 2019; Thaichon et al. 2018; Syam and Sharma 2018). In addition, there is little research how the sales process will look like in the future and in which phases of the process or the customer journey a new technology like the usage of an AI makes sense and where a sales engineer is desperately needed also in the future (Thaichon et al. 2018). There are many influencing factors that affect both the sales process and the usage of the corresponding resource. This can be for example the role of the business type like the product business, project business, system business or supplier business, but also the product complexity, the company size, the branches, intercultural aspects, etc. This research will analyze in a further step which factors play a crucial role and how they affect the sales process and the individual sales phases.

Due to the changed selling process, it is essential to consider the field of the sales organizational structure. The sales organizational structure must adapt to the new circumstances (Thaichon et al. 2018; Singh et al. 2019). Therefore, the work will question the current sales organizational structures in the B2B system business and make recommendations as to how this structure should be set up in the future. An important point hereby will be the changed balance of power between the seller / buyer dyad. A study, published by Roland Berger in collaboration with Google from 2015 shows that decision makers contact sales reps for the first time, if already 57% of the B2B buying process is over (Roland Berger 2015). This work explores in a further research how these impressive numbers have developed and how companies adapt to this situation. Another part of the work will be the analysis if there are new jobs rising due to the digital transformation and also if there are jobs which are not be needed anymore. This analysis combined with the new selling process leads to the recommendation of the upcoming sales organizational structures.

By analyzing the new sales process / sales journey and the adapted organizational structure of the sales department, the aim in a later stage of research is to find out what skills both the sales representatives of the future and the sales management of the future must have in order to be successful. Having the right skillset is crucial for a global sales success (Deeter-Schmelz et al.

2008; Dixon and Tanner 2012; Ingram et al. 2002; Ingram et al. 2005; Schwepker and Good 2010). In addition to analyzing the human skills, the work will also give a recommendation about suitable platforms, AI-tools, bots, social selling approaches or calculators and where to use them in the selling process.

In summary, the work will merge the new selling process, the derived sales organizational structure, the various influence factors like the new technologies, as well as the involved people into an overall picture and set up a new seller-customer interaction reference model.

EVOLUTION OF B2B SALES

In order to approach the topic, it makes sense to take a brief look back at the most important methods and development milestones in B2B sales. Figure 1 shows important milestones of the development in B2B sales and their authors.

Beginning in the mid 70's until the end of the 80's the research based on the seven steps of selling and how to make this selling approach more effective (Dubinski 1980-1981). During the 80's Weitz et al. introduced the concept of adaptive selling. Weitz et al. said that salespeople must look at each sales individual instead of following a uniform pattern (Saxe and Weitz 1982; Weitz, Sujan and Sujan 1986). In the late 90's Palmatier et al. created the concept of relationship selling. The approach focuses on the long-term nature of customer relationships and how they can generate resales. This method still exists nowadays (Palmatier et al. 2007). With the increasing use of the internet the rise of the social selling began and was implemented in the daily sales business (Zhang et al. 2016; Palmatier et al. 2007). Today XING, LinkedIn etc. should be part of the standard kit of many sales departments but the usage of such tools is still not fully mature (Roland Berger 2015).

The current topic that currently concerns the researchers is the point of what will future sales look like. Researchers agree that new technologies such as AI will change sales significantly but there is no clear opinion how to implement, where to implement it and what impact for the sales organization structure will arise (Sing et al. 2019; Syam and Sharma 2018; Moncrief 2017).

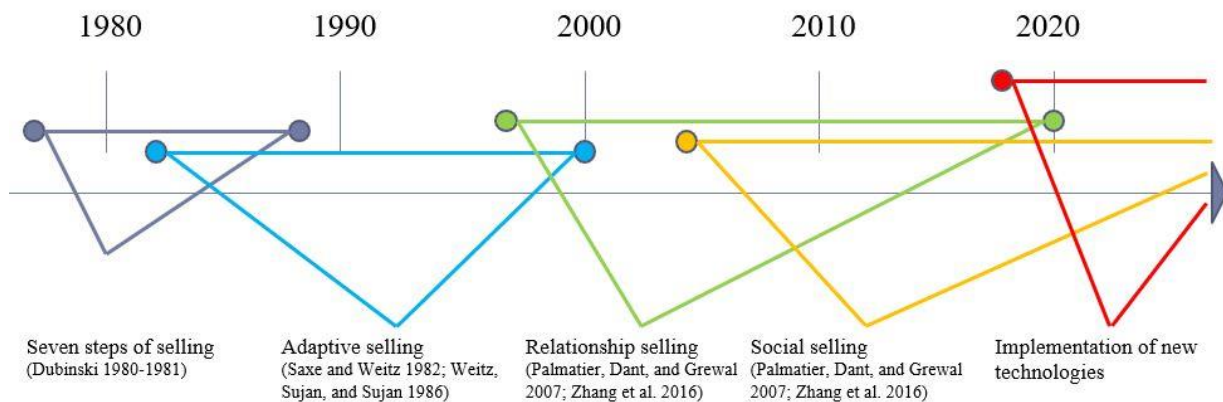


Figure 1: Milestones in B2B sales

LITERATURE REVIEW

The table 1 shows important and current literature sources for the work. Both, the key findings and the research questions out of these articles are listed in it. In summary, it can be said that researchers agree that the new technologies like the artificial intelligence or the more pronounced usage of social media will change sales fundamentally. So far, however, there is no clear opinion of how and when the technologies should be used during the sales process / sales journey. Strikingly, there are few distinctions between business types. In addition, there is no consistent opinion on how the new technologies affect the sales organization structure. An important factor in future sales is the rising market power of buyers. Sales is increasingly becoming a provider of information. Therefore, there are different opinions as to whether a distribution as we know it today will still be needed. From a researcher's perspective, we are at the beginning of research in this area. Through the extensive literature review, the derived research gaps and research questions emerge.

Table 1: Literature review

Title	Author	Key findings	Further research questions
Are sales as we know it dying...or merely transforming?	William C. Moncrief (2017), in: Journal of Personal Selling & Sales Management	<ul style="list-style-type: none"> -Social media affects all parts of the selling process -Research is still in its infancy -Articles and studies appear in high numbers, so the topic is of a paramount importance -Buyer strength increases heavily -The sales person can't be the lone wolf anymore -Sales- and marketing departments have to work more closely together -AI will play an essential role in the future sales structures but it is not researched yet in detail 	<ul style="list-style-type: none"> -How do we implement AI into the sales force, and what sales management issues are going to arise because of AI? -How has social media changed the way salespeople are selling, and how are sales organizations adjusting to the changing sales role?
Sales profession and professionals in the age of digitization and artificial intelligence technologies: concepts, priorities, and questions	Jagdeep Singh et. al (2019), in: Journal of Personal Selling & Sales Management	<ul style="list-style-type: none"> -The influence of sales digitalization technologies, which includes digitization and artificial intelligence, is likely more significant and more far reaching than previous sales technologies -Practitioners and scholars differ in their prognoses whether sales people have to coexist with an AI as the leading element or if it is the best time ever for sales people so far -Lack of clarity regarding how digital technologies will shape opportunities and threats for sales professionals and sales organizations 	<ul style="list-style-type: none"> -How will digitization and AI technologies change the role of sales profession in customer value creation? -How will the infusion of digitization and AI technologies influence the sales structure? -How will the infusion of digitization and AI technologies influence the management of the sales force?
Hybrid sales structures in the age of e-commerce	Park Thaichon, Jiraporn Surachartkumtonkun, Sara Quach, Scott Weaven and Robert W. Palmatier (2018), in: Journal of Personal Selling & Sales Management	<ul style="list-style-type: none"> -There is a transition from the classic outside sales force to an inside sales force + outside salesforce + automatization (hybrid approach) -Many experts differs in their opinion if personal sales is still needed in the future at all -Face-to-face contact is no longer needed in future -Social exchange, networks and provision of information are key success factors in future sales 	<ul style="list-style-type: none"> -Is this approach suitable for all industries? Are there differences between the different branches in the manufacturing industry? -What are the influence factors upon the sales structure? -Where do I need salespeople and where can I implement automatization? -How can a suitable sales structure approach can be implemented in a company?

Title	Author	Key findings	Further research questions
How B2B Sales Can Benefit from Social Selling	Laurence Minsky and Kelth A. Quesenberry (2016), in: Harvard Business Review	<ul style="list-style-type: none"> -The buyer has more force then in the past. 84% of all B2B transactions are started by the buyer side -Rethinking of the sales model is essential – Problem oriented approach -Setting up a network and relationships via social media is crucial for the success of the seller -Facts and figures clearly speak for the use of social media in seller / buyer interaction 	<ul style="list-style-type: none"> -Which are the right tools for the communication with the buyer? -In which stages of the selling process it is suitable to use the social selling? -How has social media changed the way salespeople are selling, and how are sales organizations adjusting to the changing sales role? -How can collaboration with marketing be improved? -How can sales role be improved?
Waiting for a Sales Renaissance in the Fourth Industrial Revolution: Machine Learning and AI in Sales Research and Practice	Niladri Syam and Arun Sharma (2018), in: Industrial Marketing management	<ul style="list-style-type: none"> -Greatest impact of automation and technology still on all routine, standard and repeatable activities. -Supporting role to make the selling functions more effective -Future technologies will be an active decision-facilitator or even a decision maker -It is crucial to understand the needs of the buying center 	<ul style="list-style-type: none"> -How can technology help to understand customer behavior in order to design and deliver highly customized offerings? -How can technology can be used in the specific steps of the selling process?
The digital future of B2B sales	Roland Berger (2015)	<ul style="list-style-type: none"> -Sales Managers believe that digitalization the sales organization will be critical to the success of their business -Purchasers have way more power as in the past and 57% of the B2B purchase process has already been completed before the decision-maker contacts a sales person for the first time -Two third of the companies in the study do not give their customers the option of placing orders online 	<ul style="list-style-type: none"> -How can companies adapt to the new situation? -How can the sales department be structured to act successfully and gain an advantage above their competitors? -Does this research fits across all branches or are there differences?

RESEARCH GAPS AND RESEARCH QUESTIONS

The following research gaps have emerged from the literature research, from which the research questions derive:

- a) There is a need to work out differences between the individual business types regarding B2B sales
- b) There is a need for a current and accepted model of the new selling process / sales journey and the sales organizational structure in the system business
- c) There is a need for a clear roadmap for companies how to implement new technologies like artificial intelligence, social media/social selling etc. in the sales process and the sales organizational structure
- d) There is less research how the new technologies influence the seller and the sales management
- e) There is less research about influence factors upon the future selling process / sales journey and the future sales organizational structure in the system business

The consistent results from the literature research lead directly to the upcoming research questions:

- a) How will the new circumstances and technologies influence the B2B selling process / the sales journey in the system business?
- b) How will the new circumstances and technologies influence the adapted B2B sales organizational structure in the system business?
- c) How will the new circumstances and technologies influence the seller and the sales management within the system business?

METHODOLOGY

In order to take a comprehensive look at the topic, this paper conducts an extensive literature review. The results of the literature research are compared with expert interviews with participants from different business types. The work will show how data was collected, which interviewees were involved and how the data was handled after the interviews. In addition, there is a summary with the key points of the survey.

The information obtained from the literature review in combination with the expert interviews deals with the research questions. In the further course of the work, a first version of a new sales-customer interaction model and a derived sales organizational structure will be listed from the information obtained. Based on these models, recommendations for action for sales in the systems business will be worked out in further research.

THE ROLE OF THE BUSINESS TYPE

In this work and in the interviews conducted in the next chapter, the business type plays a central role.

When looking at B2B business, the first thing to note is the differentiation of the individual business types (Backhaus and Voeth 2015; Weibel and Belz 2014). Success in sales requires different prioritization and adaptation to each of these business types (Weibel and Belz 2014). The business types are explained below:

The first business type is the product business. In this business type, there is a high degree of standardization with regard to the production of goods and their distribution (Backhaus and Voeth 2015). The products are produced in large quantities, the market in the product business is anonymous and there are usually individual transactions. As they are offered on a broad market, the products are not customer-specific. The degree and complexity in the buying and selling process is considerably lower than, for example, in the project- or system business (Markgraf 2018a). As a result, the product business also has only a low level of consulting intensity.

In addition to the product business, there is also the *project business*. The common feature of product and project business is that both involve a single transaction. However, the project business is a lot more complex. The product here is, for example, a high complex plant including in-depth consulting (Markgraf 2018b). Unlike in the product business, however, the services offered here are not aimed at the broad market. Due to the high degree of complexity and specification, the focus is primarily on individual customers. Customized solutions are in demand, which entails a high level of consulting intensity.

As in the product business, the services in the *systems business* are intended for the anonymous market. However, this is not a single transaction, but rather a number of different, successive purchasing processes. Due to their technical interconnection, these purchasing processes have a defined sequence. Typical services in the systems business, for example, are product-service combinations such as software solutions that consist of individual functions and are combined to form complex systems. The system business oftentimes includes the components engineering, project management, pre-sales and after-sales services (Weibel and Belz 2014). Due to the fact that the customer buys an entire system, his dependence on the supplier is high. This results in a technical or contractual binding effect (Weibel 2014). In the system business, supplier companies achieve direct sales successes as well as competitive advantages by attaching importance to intensive customer orientation. Therefore, a customer orientation takes place mainly at the corporate level.

EXPERT INTERVIEWS

The aim of the interviews was to review the status quo of the research and to identify differences in sales processes and organizational structures between the business types. For the interviews, German B2B companies from the manufacturing and trade sector were contacted. Business contacts of the authors served as a contact pool. Since a complete survey of all German B2B companies was not possible within the scope of this work, a partial survey was conducted in the sense of a representative sample. For this purpose, experts from the mentioned company sectors were selected. The experts include managing directors, experienced sales staff and experienced buyers. Company characteristics such as company form or ownership structure were not considered in this work.

Data was collected through open-ended interviews. The duration of the interviews averaged between 30 and 60 minutes and was held via personal meetings. The following persons were interviewed:

- Sales Leader, 35 years, software industry, system business
- Key-Account-Manager, 52 years, software industry, system business
- Managing director, 60 years, manufacturing industry / productional lines, project business
- Purchasing Leader, 50 years, electrics wholesale, product business
- Sales Manager, 31 years, electrics wholesale, product business
- Purchasing Leader, 45 years, manufacturing industry / connectors, product business
- Purchasing Leader, 60 years, manufacturing industry / productional lines, project business

The results of the interviews were recorded on a PC using Excel. To protect privacy and company internals, it was agreed that the data would only be used for research purposes and would not be passed on to third parties without permission. No names or companies will be mentioned. Basically, a column was defined for each question and a row for the answers of the participants. The results of the surveys were then analyzed for differences and intersections. The following is a summary of the results of the survey.

RESULTS

The interviews revealed the same problem facing current research. There is a lack of clarity about what sales will look like in the future (Moncrief 2017; Singh 2019; Thaichon et al. 2018; Syam 2018).

Opinions differ widely as to whether salespeople will still be needed in the future or whether sales work will be fully automated to a certain degree by AI. For simple products or spare parts, the opinion of the respondents was that there will be no more sales engineers needed in the future. On the other hand, when it comes to high complex products and high complex systems there is the opinion, that there is no possibility to do a valuable construction and business without well-educated sales professionals. The face-to-face advice and exchange are too important there. The result is derived from the following two questions of the interview a) *"How do you see the role of sales in your industry in the future?"* and b) *"How do you see the extent of new technologies used in your companies sales process?"* An interesting fact about the surveys was that it was possible to clearly distinguish the answers of participants from different business types. Interviewed persons from the product business were for the most part convinced that automation will take over the majority of activities in the future and that a salesperson will take on a support role. In comparison, respondents from the systems business were of the opinion that there will be a symbiosis of human and machine activities in the future. So far, the human factor has been indispensable here. The survey indicated a largely consensus opinion in response to the question *"Are there any new jobs as a result of digitalization and are there jobs that will be eliminated in the future?"* Simple tasks that involve a certain routine will be taken over by technologies

in the future. Here, people will merely assume an IT support role (cf. Syam and Sharma 2018). Across all business types, the fact can also be seen that customized customer support will become increasingly important, as products / systems differ less and less from a technological point of view. This is where the new role of customer success is increasingly coming into play (cf. LinkedIn 2020).

The current state of research and the expert statements from the industry lead to the motivation to tackle this work. As mentioned there is an indicator whether there are different sales processes / sales journeys for different business types, industries and products. In this context, also the sales organizational structure differs compared to the different business types and products. The problem companies are facing nowadays is the fact that there are less defined guidelines how to face these challenges. For this reason, this paper presents a first draft of an interaction model (Figure 2) and a derived organizational structure (Figure 3). On the basis of these models, further research is to be carried out to draw up recommendations for action for sales managers.

CONTRIBUTIONS

In this research-work, a first draft based on the gathered information, of a new model of the selling process / sales journey / the customer journey for B2B sales in the system business is set up (see Figure 2). This model considers all important influence factors for example the business types, the product complexity and technology aspects. A new model regarding the sales organizational structure in manufacturing companies will be derived from this (see Figure 3). In a later research stage, the work will give recommendations where to use human sources and where to use an automatization or AI/machine-approach during the sales process / sales journey and in the sales organizational structure depending on the different influence factors. Furthermore, there are recommendations regarding the right technology-tools in the selling process and the sales organizational structure.

In order to better understand the models, the technologies are briefly discussed below:

- CRM, or customer relationship management, refers to a strategy for systematically shaping an organization's relationships and interactions with existing and potential customers. A CRM system helps companies stay in touch with their customers, optimize processes and increase profitability (Salesforce 2021).
- MAS - Marketing Automation Systems - often also referred to as Marketing Automation - generally runs on a corresponding software platform. This helps to prioritize various marketing tasks and then to automate them. This includes topics such as lead generation, the further development of leads or the segmentation of interested parties (Hubspot 2021).
- Social Media - Social media is the umbrella term for media in which Internet users exchange opinions, impressions, experiences or information and gather knowledge (onlinemarketing-praxis 2021). In particular, platforms such as LinkedIn and Xing are increasingly being used profitably by companies in the sales process.
- Bots - The term "bot" is derived from the English word for robot. Like mechanical robots, Internet bots are programmed to perform specific, repetitive tasks. To do this, they execute clearly defined commands in the form of algorithms and scripts, which they implement faster than any human could. Bots are thus computer programs that act autonomously and automatically and do not depend on the cooperation or supervision of humans for their function (ionos 2021).

The interaction model

The new interaction model in Figure 2 illustrates the interactions between the company and the potential customers along their customer journey. Therefore, the new term "sales journey" has been chosen several times in this paper.

The customer journey is divided into the following phases in the model: Pre-Awareness, Awareness, Consideration, Preference, Purchase, After-Sale and Loyalty. The participants in the interactions of the respective phases are the customer, sales, "customer success" as an important sub-function of sales, and marketing. In addition to the participants, the model lists a selection of technologies that play important roles in the sales journey. These technologies can vary from company to company and can be selected depending on the scope of the opportunities. Recommendations for action for the companies will be developed at a later stage. Finally, the type of interaction will be pointed out. Here, it is important to know the culture and the needs / preferences of the customer in order to play on the right channels. An interaction recommendation for the system business is listed as an example. Personal contact on site in the form of a detailed pre-sales and consulting phase is of great importance here. An exemplary process based on the interaction model is described in the following.

Many models of a customer journey start with the awareness phase in which a customer becomes aware of a company's product or Service (Google 2021). In this paper we start one step before. It is assumed that the customer is not yet aware of his need. The "sales journey" starts with the marketing department. Through the use of various technologies such as marketing automation systems (MAS in figure 2), lead generation systems, social selling tools or web analytic systems, the customer is made aware of the company, the product and/or the service in a previously defined segment. At this early stage, there is also a high degree of digitization potential in the systems business. If everything goes according to plan, the customer is now in the awareness phase. By further developing the lead on the basis of its customer journey, companies have the opportunity to use lead scoring systems to evaluate the potential customer on the basis of predefined variables. As soon as a threshold value is exceeded, the lead is passed on to the sales department for further qualification (Koerner (2017) and Schuster (2015)). The transferred lead is now taken over by the sales manager and processed further. As a rule, this is done through personal contact by telephone call, mail or webcast appointment. In the complex and consulting-intensive system business, it is important to have an intensive exchange with the customer. Pre-sales and consulting appointments on site at the customer or at the company's own locations not only show the customer the expertise of the company, but also show the customer the appreciation he receives at an early stage. Once the technical side has been satisfactorily clarified and the company has positioned itself well, the negotiations begin. Likewise, the negotiation should be personalized and, if possible, understood as a win-win situation by both parties at the end in order to strive for a long-term cooperation from the beginning (Kaski et al. 2017). After the conclusion of the negotiations and the start of the cooperation, the customer success team appears more and more often in nowadays business (Hubspot 2017). In the future, this will be one of the few ways to stand out from the competition and create an USP. Technically, there are many systems that are very similar in functionality. As an example, the Enterprise Content Management System business can be named. There is a multitude of providers. Currently, we are at the point in time when it is understood that differentiation through service and customer satisfaction is one of the most important points. This fact can also be clearly seen in the increasing number of jobs offers in the area of customer success as a LinkedIn survey recently found out (LinkedIn 2020). By means of a customer success workshop (CS-Workshop in the figure 2) in which is recorded what went well, but above all also what did not go well in the project and in the implementation, points can be uncovered at an early stage that need to be improved in the future. A regular open exchange with the customer by the Customer-Success-Manager ensures that any displeasure on the part of the customer is picked up early on. This information should be discussed constructively in the sales and marketing meeting and an optimal solution for the respective case should be worked out. The task of the customer success team is also to read potential between the lines and pass on this important information to the right place. In figure 2, this is indicated by the information flowing back to the sales department. Thus, the interaction model is not a process, but rather a cycle that does not end with the completion of an initial project.

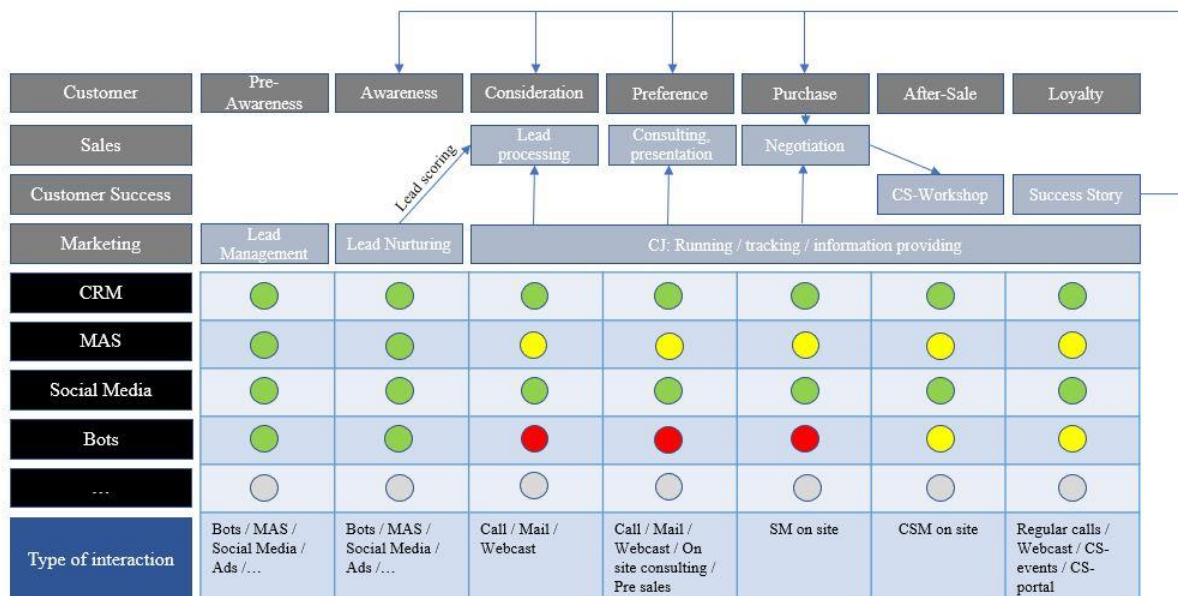


Figure 2: Interaction model

The derived sales organizational structure

Derived from the interaction model, figure 3 shows a possible organizational structure of the sales organization. In addition, attention is paid to the marketing department. The marketing department is divided into the specialist areas of marketing automation, social media management and product marketing. Based on the interaction model, the task of the marketing department extends across the customer journey phases "Pre-Awareness" and "Awareness". The sales team appears after the lead scoring evaluation and a corresponding handover by the marketing team. An organizational structure with different levels of complexity has been selected in the diagram. This should make it clear that the model can be used not only for the systems business but also for the product, project and supplier business.

The more complex a product or system, the more advice-intensive it is. This case is represented in figure 3 by the "High complex" sales team. The sales engineer continues to play an important role in providing the best possible advice to the customer in the selection process. "Inside sales", for example, takes care of inquiries and the qualification of leads transferred from marketing and writes the offers for the sales engineer. The "Tele Sales Team" can be understood as a sub-function of marketing or as a direct lead generation unit in sales. The AI consultant will advise on which steps in the sales journey the use of a specific technology makes sense and where it does not make sense. The lower the complexity of the product or system, the fewer experts are needed for a successful sales journey. The degree of automation increases with decreasing complexity. The customer success team is also based in sales. A further study will find out whether it makes more sense to designate the customer success team as an independent sales body with a corresponding turnover target agreement or as a first-class "lead machine" for sales. These two ways are conceivable. In a later stage of the research a skill matrix of future salespeople and other people who are involved in sales, including the sales management will be set up to help the management to recruit the suitable people and built up the appropriate future sales organization for the company.

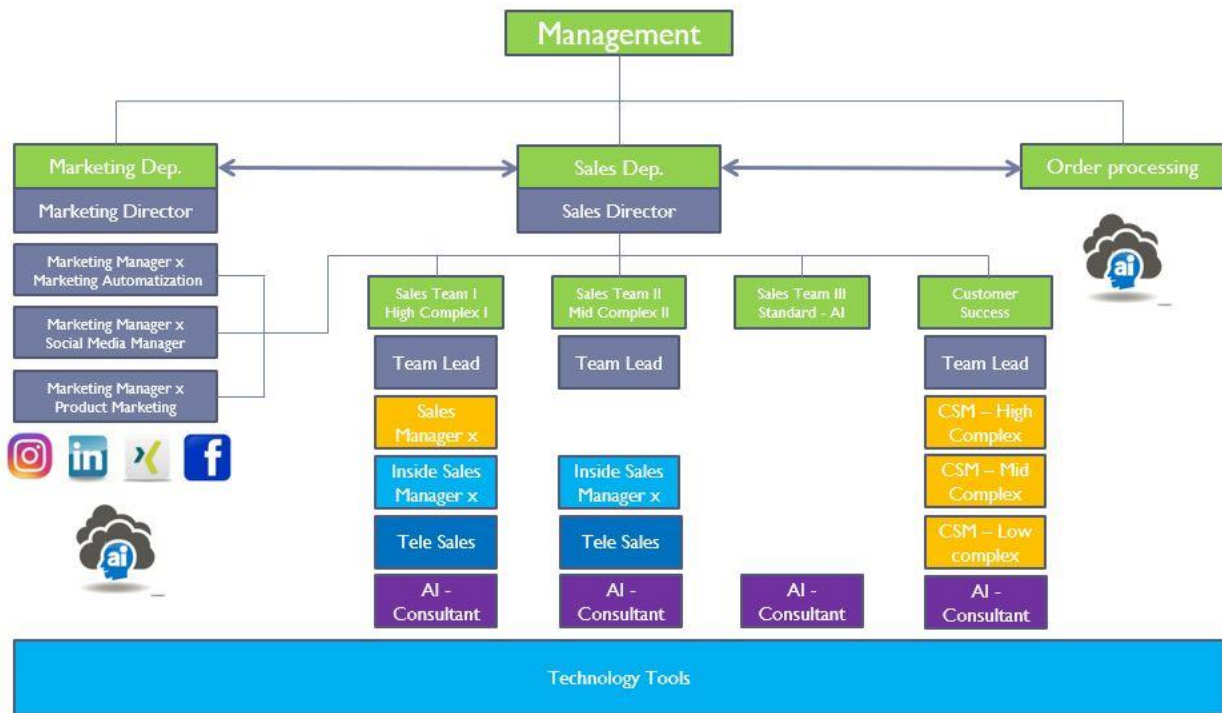


Figure 3: Organizational structure

CONCLUSION

Digitization is fundamentally changing sales. Products are becoming more and more interchangeable in the age of digitization and interested parties can use an inexhaustible pool of information. This fundamentally changes the balance of power between sales and purchasing. Companies and sales organizations have to adapt to these new conditions in order to remain competitive. The network between sales and interested parties is becoming increasingly important in order to be able to satisfy customer

and market needs. Information and data flow are the new gold (Kraemer; Techilzik 2016). There are currently different opinions as to whether sellers are needed in the future or whether they will be replaced by new technologies such as artificial intelligence.

This is where the work starts, with having the focus on the system business. It shows how the new sales process / sales journey is structured in the age of digitization, which influencing factors exist and in which steps the use of which resource (human and machine) makes sense. It is also derived from this which form of the sales organization structure is needed in the system business to be successful. In this research a first draft of an interaction model is presented, which considers the parties sales, marketing and customer. In addition, a first organizational model is shown. In further research steps, the model will be refined by more studies, surveys and case studies until it has the desired expressiveness.

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SALES SKILLS IN THE DIGITAL ERA: IS IT TIME TO FORM THE B2B SALES SKILL SET ALL OVER AGAIN?

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ABSTRACT

The increasing application of digital technologies is transforming sales considerably. However, it is unclear how sales can adapt properly – particularly from the B2B sales skills side. Despite the urgency of this matter, in-depth research on B2B sales skills in the digital era remains sparse. In this structured abstract, a new conceptual model for a more modern B2B skill set is thus developed in a cross-country study. As a preliminary result, most of the traditional sales skills are still required in future, but need to be complemented by intercultural as well as digital sales skills.

IN NEED FOR A NEW SKILL SET

The introduction of digital technologies and its scale of required adaptations especially from the B2B sales skills side has so far been unprecedented (Lacoste 2018): No prior experiences are available regarding a sensible design, a seamless implementation, a smooth transition as well as a smart application of digital technologies. Due to the differences in the design of the business processes and of the accordingly applied digital technologies, the impact on all company departments varies considerably (Singh et al., 2019; Wengler et al., 2021). The focus of this structured abstract will therefore be on what digital transformation will mean for sales – and in particular the future skill set of the individual salesperson.

Based on a comprehensive literature review a conceptual model on the salesperson skill set is developed. As it will be shown, the traditional perspective on the salesperson skill set (e.g. Churchill et al., 1985; Renz et al., 2002; Verbeke et al. 2011) is not sufficient anymore. Besides the need for intercultural skills (Ueberwimmer et al., 2012), salespersons are increasingly required to possess digital skills, even though it is still undetermined, which these are – not to mention how to integrate them sensibly in the existing skill set and how their interdependencies with the other skills will look like.

The conceptual model is then complemented by an exploratory research study identifying the requirements from the companies' perspective regarding the future skill set in sales. In a joint research effort across Austria, Finland and Germany researchers verified their conceptual model based on manager level interviews. The results show that the traditional sales skills are still required in their entirety, but need to be complemented by intercultural as well as digital skills, which, however, have to be more explicitly defined. On top, the research uncovered the need for a completely different mindset with respect to cross-departmental inter-company collaboration (Hartmann et al. 2018; Storbacka et al., 2009) as digital technologies allow for a seamless collaboration across departmental and corporate boundaries. For facilitating both, a new skill set as well as a new mindset, innovative educational approaches must be developed for preparing the salesforce of tomorrow.

LITERATURE REVIEW

Digital technologies are changing the way of doing business fundamentally (Ritter and Pedersen, 2020; Vial, 2019; Wengler et al., 2021): They allow for more variety in communication and interaction between buyer and supplier as well as define the value creation processes anew due to an increasing human machine interaction (HMI). The process of *digital transformation* thus means "...the modification of processes, products, business models as well as human behaviors by digital technologies, which aims at designing the companies' business activities more efficient and effective" (Wengler et al., 2021).

Although considerable efforts have been undertaken so far to make digital transformation work, the expected productivity gains have hardly materialized (Acemoglu et al., 2014; Buttle et al., 2006) or the transformation projects have even failed (Davenport and Westerman, 2018). New research suggests that the success of digital transformation projects depends on the simultaneous development of three success factors, the company's *processes*, its *data* as well as its *people* (Wengler et al., 2021). This structured abstract focuses on the individual salesperson and thus on the most central success factor, i.e. the *people*.

In the sales literature, the individual salesperson and its sales skills have always played a dominant role. Numerous research studies in B2B sales research are circling around the issue of adequate sales skills. As the meta-studies of Churchill et al. (1985), Rentz et al. (2002) and Verbeke et al. (2011) point out, most of these studies are however just concerned with specific aspects of the sales skills (e.g. active listening, adaptability) – and thus operate only on the micro-skill level. However, the salesperson's effectiveness is not dependent on individual skills, but on the overall skill set a salesperson has acquired over time (Rentz et al., 2002). In their research on the macro-skill level, Rentz et al. (2002) conclude that three major dimensions comprise a salesperson's *sales skill set*:

- interpersonal skills (e.g. ability to express yourself, awareness and understanding of nonverbal communication),
- salesmanship skills (e.g. ability to prospect for customers, ability to close the sale), and
- technical knowledge (e.g. knowledge of the customer's market and products, imagination in supplying products and services that meet the customers' needs).

Over the last 20 years it has become clear that the suggested sales skill set introduced by Rentz et al. (2002) is a very good start in gaining more knowledge on the interrelationship between a salesperson's macro-skill set and its performance, but additional aspects as general management skills (Churchill et al., 2001) as well as intercultural skills and digital skills seem to be indispensable, too.

Due to the increasing international and globalization tendencies of companies, more and more focus was put on these competences fostering their successful internationalization (Spitzberg and Changnon, 2009). Particularly since the mid-1990s researchers started to look into these aspects and derived several models to measure intercultural competences (e.g. IDI model, MPICO model), thereby distinguishing them into cognitive, affective and behavioral competences. These intercultural competences do not only have to be learned and trained in a life-long learning processes to deal with intercultural situations, but they are even seen as prerequisites to deal best in intercultural situations and which assist businesspersons' learning curve before, in and after intercultural touchpoints (Bennett, 1986; Bhawuk and Brislin, 1992; Singelis, 1994; Dunbar, 1997; Überwimmer et al., 2019). As a result, the intercultural management discipline came up to adapt and redefine international sales activities. A recent study even showed how the work in international solution selling environments calls for communicational competence and business acumen (Koponen et al. 2019).

Analogically to the vague assumptions on the intercultural skill set in the 1990s and early 2000s, companies are nowadays even more uncertain about the relevant digital skill set of the individual salesperson (Moncrief and Marshall 2012; Syam and Sharma 2018). Considering the pace as well as the comprehensiveness of digital transformation, by which it penetrates most companies and their value creation processes, managers often feel overwhelmed by these upcoming challenges (Matt et al., 2015; Ritter and Pedersen, 2020). In this transformation process, they can neither build on previous experiences nor on existing knowledge (Vial, 2019). Managers focus instead on the implementation of digital technologies (Honeycutt, 2005), even though they do not know if these are relevant and beneficial to the company at all. Thus, the idea of digital skill sets currently focuses on the application of these digital technologies, but not necessarily on the competences really required in the digital era. Also, the scientific literature is more concerned with the application of specific digital technologies and thus neglects the issue of relevant (digital) competencies on the macro-skill level. Accordingly, the sales research literature is full of articles describing the effects of Sales Force Automation (SFA) (e.g. Buttle et al., 2005; Cascio et al., 2010; Honeycutt, 2002; Honeycutt, 2005; Ko and Dennis, 2004; Speier and Venkatesh, 2002), CRM systems (e.g. Steel et al., 2013; Stein et al. 2013; Tanner et al., 2005), social and mobile selling (e.g. Ancillai et al., 2019; Lamberton and Stephen, 2016; Nunan et al., 2018; Pascucci et al. 2018; Wang et al. 2017), as well as the opportunities of applying Big Data analytics (e.g. Chierici et al., 2019; Elia et al., 2020; Hallikainen et al., 2020; Wang and Wang, 2020) as well as Artificial Intelligence (AI) in sales (e.g. Singh et al. 2019).

Even though this research approach is consistent with the micro-skill research (Rentz et al., 2002), such a technology-oriented focus on the skill set of individual salespersons cannot reflect the required skill set and digital competences for the future. It is too unidimensional with respect to the complexity of a sales job and does not put the traditional sales skills properly into perspective. In the following, the article will lay out a conceptual model for describing the sales skills relevant for an individual salesperson to sustain and succeed in the digital era – and thus contributing to the macro-skill stream of research (Rentz et al., 2002).

CONCEPTUAL MODEL

As seen in the literature review, Renz et al. (2002) propose three categories of sales skills: interpersonal skills, salesmanship skills and technical knowledge. Each category itself consists of various skills. The selection of skills required by an individual salesperson will depend on the sales context.

Intercultural as well as digital skills are two categories, which need to be added to the conceptual model of sales skills. Like interpersonal skills, salesmanship skills and technical knowledge both new skill categories represent various specific skill. Despite considerable research in the context of intercultural sales (Koponen et al. 2019), the intercultural as well as the digital skill category still seem to be rather undetermined.

Consequently, the conceptual model of sales skill suggested by Renz et al. (2002) is thus extended by two new categories, the intercultural as well as the digital sales category.

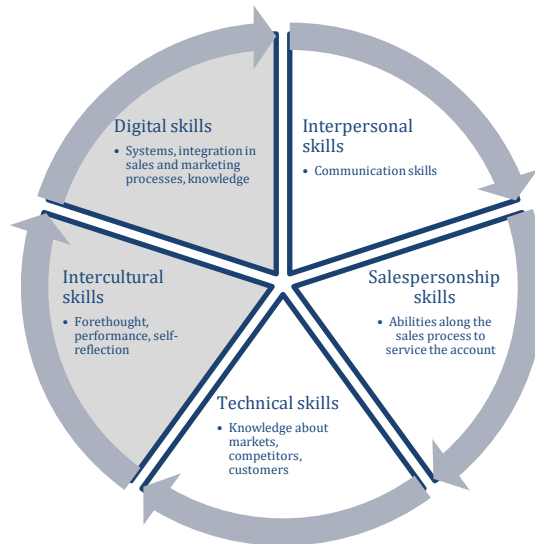


Figure 1: Sales skills set for salespersons in the digital era

For getting a better understanding of the contents of the different categories as well their interdependencies, an exploratory research study has been conducted.

EXPLORATORY STUDY

For further insights on the future skill set of an individual salesperson, the authors decided to conduct an exploratory research study to verify their conceptual approach with respect to the companies' requirements.

The exploratory research included 45 manager level interviews in three countries, Austria, Finland, and Germany (each 15 interviews). These interviews were conducted in the beginning of 2020, when the Corona pandemic just showed its first impacts, but the interviewees were not fully aware of the dire consequences. All interviews were based on a semi-standardized questionnaire, the interviews took between 30-60 min and the sample was hand-picked by the researchers to ensure the interviewees' expert status (i.e. solely managing directors or sales directors) as well as an extreme sample, i.e. a wide variety of industries was covered and the size of the companies differed considerably.

All interviews were done either in German or in Finnish, recorded and transcribed. Every researcher analyzed and coded its own country-specific data, and the researchers organized several meetings to discuss the results. Based on these research meetings, the researchers started to find themes which were constantly raising up from the data. The process of analyzing the data was following the qualitative content analysis (Eriksson and Kovalainen 2016.)

PRELIMINARY RESULTS

Interestingly, across all three countries there has been much agreement. As the interviews confirmed, traditional sales skills are still relevant and indispensable, while intercultural skills as well as digital sales skills must be added to the profile of the future salesperson.

Traditional sales skills still encompass a sound product knowledge, good communication skills and particularly the salesperson's ability to consult the customer during the sales process properly. Over and over again, interviewees stressed the fact that sales is primarily based on human-to-human interactions, which requires considerable soft skills. They were also convinced that the human touch of sales will never vanish, at least not in complex sales situations.

Besides the traditional sales skills, a more comprehensive perspective on sales will be required from the future salesperson. This includes the salesperson's ability to properly assess macro-economic developments, dispose of a distinctive intercultural awareness as well as a proficient understanding of individual customer situations (e.g. due to governmental regulations). New in the context of sales skills were the mentioned digital competences. Salespeople will in future need to have a sound understanding and thorough ability to apply the various digital tools (e.g. CRM systems or other sales apps) as well as need to be much more experienced in handling data. A salesperson's digital affinity will definitely support its sales effort in the digital era.

During the interviews further skills were mentioned, which were already required before, but have become particularly relevant in the digital era: The growing complexity of products and services does not only require increasing collaboration across corporate departments, but also across corporate boundaries – with the customer as well as partners. This suggests a significant change in the composition and/or changing relevance of distinct sales skill due to the digital era.

MANAGERIAL IMPLICATIONS & FUTURE RESEARCH

Three management implications can be derived from this exploratory study:

- *Value Creation/Value Selling*
The results of the exploratory study confirm the companies need to focus in future much more on the issue of value selling and particularly on value creation (Terho et al. 2012; Ulaga and Eggert, 2006). Even though discussed already in the literature, companies still find it hard to change their people into this direction.
- *Market Intelligence*
The handling of data (e.g. big data analytics, business intelligence and business analytics) will in future be key to companies. The knowledge of the markets, competition and customer is still very important, some of this information is even online. Therefore, new skills have to be learned by salespeople, in particular how to handle data from various sources (big data) (Wang and Wang, 2020) and how to gather information and analyze these data properly (business intelligence and business analytics).
- *Cross-Departmental as Well as Cross-Boundary Collaboration*
Even though already mentioned in the marketing and sales literature (e.g. Hartmann et al., 2018; Storbacka et al., 2009), salespeople still find it difficult to change their routines and coordinate more intensely with other departments or their customers. However, the increasing complexity of products will force companies to change their processes and they need to ensure a seamless value creation to survive in future.

The presented results of the exploratory study can just be seen as a first step for shedding some light on the various sales skills required in the digital era. The conceptual model needs to be refined further and testing has to include many more companies of different industries. Particularly, training and learning methods at the academic level must be adapted to provide the basis for a more comprehensive skill set required for future salespersons. A special focus should also be put on a more efficient and effective communication in the sales process with respect to various industries. It is still not clear, if there are principal differences or not. Training salespeople with respect to their technical skill set seems to be necessary. However, with respect to the fast-developing digital sales tools and in particularly the developments in artificial intelligence it needs to be evaluated which technical skills are really required. Finally, it seems to be necessary to extend to the view from the individual salesperson level to the team. It is not obvious which impact the digital era will have on the composition of teams, their interaction as well as the team's sales skill set.

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EMOTIONALITY IN SALES CONVERSATIONS – GENDER DIFFERENCES IN EMOTION EXPRESSION

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ABSTRACT

When it comes to gender-specific differences in experiencing and expressing emotions, society still makes use of common stereotypes. Women are generally considered emotional, men rational. Gender-based differences and stereotypes have attracted increased attention in sales research. These differences have been studied in such areas as sales stereotypes (Lane and Crane 2002), communication (McQuiston and Morris 2009), buyer perceptions of salespersons (e.g. Newell et al. 2019), and sales relationships (e.g. Beetles and Crane 2005). In a nutshell, findings suggest that women are more interested in developing and maintaining relationships, and that they tend to consider others well-being to a greater degree. These characteristics generally lead to a better understanding of other's intentions and thus, to more empathy. Gender differences can be observed not only in certain patterns of action, but also in the experience and expression of emotion. For instance, research on gender differences reveal that happiness, sadness, and fear are more typically associated with women, whereas anger and pride are more typically associated with men (Hess et al., 2000; Plant et al. 2000; Weber and Wiedig-Allison 2007). However, how these differences in emotions and emotion expression manifest themselves in the context of sales conversations has hardly been researched so far. Negotiation research offers some useful results in this regard, some of which may also be relevant for sales research. For example, it was shown that in the context of sales and negotiations, nonverbal communication is as important as verbal communication (Stewart, Hecker, and Graham, 1987). For salespersons this means that it is of great importance to understand these nonverbal cues and to be able to react to them accordingly. Based on these findings from various streams of research, it is hypothesized that there are gender differences in the expression of emotions during sales conversations.

As facial expressions are strong indicators for emotions, this paper employs computer-based facial expression analysis. Data was collected in a sales management class. The participants were instructed to hold a sales conversation about a product of their choice (to ensure product knowledge) in pairs, which was recorded and the face of the "salesperson" was analyzed using the AFFDEX algorithm by Affectiva Inc. (El Kaliouby and Robinson 2005, McDuff et al. 2010).

The findings of this study reveal that female sellers express lower levels of disgust and higher levels of joy during the sales conversation. These results are consistent with previous findings from psychology, which state that women show greater emotion expression of positive emotions (LaFrance et al. 2003) whereas men express greater levels of negative emotions (Archer 2004, Hess et al. 2000) in general. Outcomes of this study suggest that this also applies to the specific situation of sales conversations. Second, also consistent with previous findings, our study reveal that female sellers scored higher on perceived empathy, and that women are able to care for a better conversational atmosphere than men are. This result confirms that, as proposed by Beetles and Crane (2005), women are more interested in developing and maintaining relationships, which lead to a better understanding of other's intentions.

The results of our study imply that there are significant gender differences in emotion expression, which lead to important managerial implications. Firstly, we propose that education and training should be explicitly address these differences. The literature analysis shows how important it is for salespersons to be able to interpret nonverbal cues correctly and to react to them accordingly. Thus, salespeople should have the ability to recognize nonverbal cues that are important in generating empathy. In this context, Emotional Intelligence (EI), which refers to the abilities that enable awareness of the emotional states of oneself and others, and thus (Mattingly & Kraiger, 2019), plays an important role. Managing personal emotions and empathizing with the other party help to resolve conflicts and build buyer trust in the salesperson (Ahearne et al., 2007). Due to the fact that dealing with emotions is very gender-specific, special consideration should be given to this in EI trainings. Thus, instructors should teach participants how to interpret gender-specific nonverbal cues and how these cues are related to emotions. Female and male salespeople should be trained specifically according to their strengths and weaknesses in emotional expressiveness and should be conscious of gender-specific heuristics in order to be able to react to them appropriately.

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PSYCHOLOGICAL REACTANCE THEORY EXPLANATION ON HANDLING OBJECTIONS IN SALES

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ABSTRACT

Despite its importance, the topic of overcoming objections has been little investigated by scholars. This study aimed to examine and organize the current body of research literature on sales objections in a given organizational setting. We present our findings of the Literature Review on empirical studies that have explored this topic. Moreover, using Psychological Reactance Theory, we developed a conceptual model base on this theory. It is a key issue for companies to dedicate time to train their salespeople in order to handle correctly sales objections, plus the delivery of knowledge and skills for the generation of credibility on the part of the sales representative, management of emotional intelligence, and particularly management of the anger of salespeople. We conclude by offering suggestions for future research and practice.

THE YIN AND YANG OF SALESPERSON LONELINESS

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ABSTRACT

This research explores positive and negative outcomes of salesperson loneliness. Findings reveal loneliness increases social awkwardness, overspending on customers, and impaired memory during a sales call. However, loneliness also decreases sales call reluctance while increasing organizational commitment. Consequently, loneliness is moderately related to performance. Rejection weakens these positive outcomes, though.

RESEARCH OBJECTIVES

Personal selling has been called “ego-bruising, frightening, and *lonely*” as many salespeople work alone and try to influence prospects from an often cold, indifferent, or sometimes even hostile frame of mind to awakened interest in the salesperson’s products or services. The profession is marked by consistent rejection, customer churn, and conceivable isolation, which may only be further compounded by current travel restrictions and customer leanness to meet in person. Current research aims to investigate how loneliness affects salesperson-customer interactions and subsequent salesperson performance.

METHODS/RESULTS

Sample. To test our hypotheses, we collected 112 survey responses from an online panel. Approximately 60% work in B2B sales. The average experience of respondents was 3.5 years and 42% of the sample was female.

Manipulation. To explore the impact of rejection, similar to what salespeople encounter regularly, we developed a manipulation based on Mead et al. (2011). Approximately half of respondents were randomly assigned to the control group while the other half experienced the rejection manipulation.

Measures. All measures used were adapted from previously published studies. For memory, participants watched a pre-recorded video and were then asked to recall details thereafter, such as the name of the company and the buyer’s dominant need uncovered. For every correct answer, respondents earned one point toward a final overall score of remembered details.

Analysis. We analyzed the data using partial least squares structural equation modeling (PLS-SEM). PLS-SEM enables the testing of moderating effects in path models using multigroup analysis, which is especially useful for discrete moderator variables such as the rejection manipulation we employed.

Results. Salesperson loneliness was negatively related to remembering details in the needs assessment of a sales call, as predicted. In addition, loneliness was positively related to conspicuously spending more on customers (i.e., sweethearting). Interestingly, in contrast to our third hypothesis, loneliness was negatively related to sales call reluctance. It could be that loneliness drives such a need for reconnection that salespeople abandon any reticence they may have to contact new customers. Importantly, we find sales call reluctance hampers salesperson performance, as would be expected. Hence, in this respect, loneliness is actually beneficial for salesperson performance. Moreover, loneliness is related to organizational commitment, as predicted. Loneliness also was positively related to social awkwardness, which suggests that social skills require constant updating and “exercise,” or they can deteriorate. The total effect of loneliness on performance was marginally significant. This shows that loneliness – though clearly not ideal – may have some positive implications for salespeople as well. Finally, as predicted, fresh rejection weakened the positive relationship between loneliness and organizational commitment.

DISCUSSION

The findings from this study have several practical and managerial outcomes for companies. Managers must first recognize that loneliness can lead to overall social awkwardness in customer exchanges and conspicuous overspending (sweethearting) on accounts, which may be unwarranted. Likewise, loneliness is associated with remembering fewer details in customer exchanges, which can lead to misunderstanding customer needs and not providing viable product solutions. Managers must take steps to mitigate these negative outcomes by first identifying not only triggers but also which salespeople might be more at risk due to either long term confinement from COVID19 and/or a lack of social support on and off the job. Managers can initiate and maintain an ongoing conversation with at-risk salespeople and strive to create a company culture of working together. Nonetheless, there are some positive aspects to salesperson loneliness that managers would do well to consider.

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ETHICAL LEADERSHIP AND SALESPERSON JOB PERFORMANCE: THE IMPACT OF REMOTE SUPERVISION

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ABSTRACT

Remote salespeople are moving away from in-person interactions and toward using technology to keep in contact with their supervisors. There are ethical perspectives that should be considered in a remote work environment. While literature surrounding social learning theory has explored the degree to which behaviors can be acquired by observing and imitating others, there has been little focus on whether salespeople can emulate ethical leadership behavior when they work in a different location from their supervisor. This manuscript proposes a study that examines how remote supervision impacts the relationship between the affective organizational commitment of the salesperson and job performance.

A DARK SIDE OF ETHICAL CLIMATE ON SALESPERSON PERFORMANCE

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ABSTRACT

Unlike its well-known positive relationship with salesperson job performance, ethics can damage sales, implying a dark side of a persistent ethical climate for job performance. This study revisits the relationship between ethical climate and job performance. This study first investigates several work circumstances and corporate conditions that may contribute to the adverse effect of ethical climate on salesperson job performance. Second, this study explores theoretical perspectives that frame the conceptual model and the propositions of the study. In building the propositions, this study employs the Input-Process-Output model and expands with a new stage (i.e., storage stage) in the model. The objective of the study is to call for an immediate investigation of the relationship. This study provides the contributing factors to the potential adverse effect of the ethical climate on job performance with the propositions and the conceptual model. This study identifies critical gaps in the literature and leads to developing a future research agenda, highlighting empirical testing and advancement opportunities.

References Available on Request.

THE IMPORTANCE OF THE KNOWLEDGE SHARING STRUCTURES IN SALES UNITS IN FOSTERING A FIRM'S INNOVATION PROCESS

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ABSTRACT

This study examines how sales units can contribute to a firm's capacity for innovation and how market knowledge accumulated to salesforce can be shared and used to guide innovation. The research reveals features that support and prevent knowledge sharing by qualitatively studying opportunity structures that prevail in sales teams.

INTRODUCTION

Due to globalization and changes in a competitive business environment, innovation has become a crucial solution for firms to improve business growth, performance, and sustainable competitive advantages (Tian et al. 2018; Le and Lei 2019). These changes, compounded with rapidly changing technology and the shortening of the product life cycle (Ingram et al. 2005), challenge also sales organizations (Smith, Andras, and Rosenbloom 2012; Evans et al. 2012), and require them, as well, to engage in this transformation and a firm's innovation process (Wang and Miao 2015). Researchers suggest that, to reach its full potential, innovation should be extended to cover all activities in an organization, including sales units (e.g., Salaman and Storey 2002; Yang, Nguyen and Le 2018). However, there is still insufficient literature on the role of sales in a firm's innovation capability and in the initiation of innovations (Matsuo 2009; Martinaityte and Sacramento 2013).

This study follows the definition of Crossan and Apaydin (2010) of the concept of innovation. They define innovation as a production or adoption, assimilation, and exploitation of a value-added novelty; renewal and enlargement of products, services, and markets; development of new methods of production; and establishment of new management. Innovation enables firms to better respond to customer needs, to compete in the market and to align firm's strengths with market opportunities, as well as to take advantage of strategic market opportunities (Rujirawanich, Addison, and Smallman 2011). Salespeople are in a unique position to identify this crucial market knowledge which can contribute to the firm's innovation process (Ingram et al. 2005), but, however, innovation is often traditionally attributed to the R&D function both in research and practice (Wang and Miao 2015). Increasingly, there is recognition of the importance of innovativeness outside of R&D, such as that found in the sales force. Indeed, salespeople have been found to have a direct input, for instance, on product innovation processes (Judson et al. 2006; Joshi 2010). Such findings have increased the interest of sales researchers and practitioners in gaining a better understanding of how sales teams can contribute to the company's capacity for innovation (e.g., Porter, Wiener, and Frankwick 2003; Gong, Huang, and Farh 2009), and what kind of innovativeness and at which phases of the innovation process sales can increase the company's capability to innovate (e.g., Wang and Netemeyer 2004; Martinaityte and Sacramento 2013).

Available knowledge is one of the drivers in the innovation process (Crossan and Apaydin 2010), and knowledge sharing, on which this study focuses, is a crucial source of innovation and has a critical role in fostering firm's innovation capability (Podrug, Filipovic, and Kovac 2017). As knowledge is heterogeneously distributed in a competitive environment, the importance of salespeople's role in collating knowledge is increasing (Liu and Comer 2007; Menguc, Auh, and Kim 2011), and salespeople increasingly act as knowledge brokers between customers and the firm they represent (Matsuo 2009; Verbeke, Dietz, and Verwaal 2011). Additionally, salespeople's role in intraorganizational knowledge sharing is growing and is essential (Menguc, Auh, and Kim 2011). If firms desire to direct the knowledge existing and gathering in sales teams to guide innovations, they need to be aware of the structures that affect knowledge sharing in sales, the ability and willingness of salespeople to share the information they receive from their customers, and the flow of knowledge to other functional areas in the firm (Madhavaram and McDonald 2010; Menguc, Auh, and Kim 2011).

This study aims to contribute to this discussion by examining the knowledge sharing structures affecting sales teams and the flow of knowledge for innovation in Finnish small and medium sized B2B ICT-companies. The issue of research is relevant for several reasons. First, organizational practices are seen as drivers of the success of knowledge sharing practices (Ajmal, Helo, and Kekäle 2010; Yang, Nguyen, and Le 2018). Secondly, research has shown that firms face challenges in their efforts to increase employees' willingness to share knowledge (Chen and Huang 2009; Wang and Noe 2010; Le and Lei 2018), and, thus, in to increase firm's innovation capability (Yang, Nguyen, and Le 2018; Le and Lei 2019). Third, Menguc, Auh, and Kim

(2011) call for more research on the individual and organizational antecedents to knowledge sharing behaviors, and the processes and boundary conditions of such behaviors in sales. Furthermore, although research has shown a clear link between knowledge sharing and innovation (e.g., Wang, Sharma, and Cao 2016), research on its role in the context of sales is still young and insufficient (e.g., Menguc, Auh, and Kim 2011). Last, research on knowledge sharing has mainly focused on large firms while small firms, addressed in this study, have their own specific challenges, such as their high dependence on the activities and knowledge of each member (Massaro et al. 2016).

The study follows and utilizes Van Krogh's (2011) concept of the opportunity structures for knowledge sharing, which consist of the factors affecting knowledge sharing in the firm's practices and the knowledge sharing resources provided by the company. The strength of this concept is the simultaneous consideration of the factors that both promote and hinder knowledge sharing. This study focuses on examining the opportunity structures for knowledge sharing in sales offered by a firm and how the structures promote or hinder the knowledge sharing possibilities and the flow of knowledge for the benefit of a firm's innovation process. The phenomenon is approached qualitatively through an analysis of salespeople's and sales managers' accounts, and addresses the following practical and theoretical questions to answer the research problem: 1) What kind of opportunity structures for sharing knowledge exist in sales teams and how do they influence knowledge sharing within and outside the team? 2) What features do opportunity structures include that support and prevent knowledge sharing in sales teams? 3) What kind of opportunity structures and resources support the sharing of knowledge for the benefit of the innovation process?

KNOWLEDGE SHARING AND INNOVATION INVOLVEMENT IN SALES

Knowledge management includes dimensions which particularly enhance innovation (Crossan and Apaydin 2010). This study focuses on the concept of knowledge sharing, which is one of the core processes in knowledge management (Alavi and Leinder 2001; Ragab and Arisha 2013). In theories of knowledge creation and innovation, the sharing of knowledge in an innovation process precedes the identification of new concepts, their evaluation and justification, and product or service prototyping (Van Krogh 2011). Knowledge sharing can be examined from several different perspectives and definitions (e.g., Aljuwaiber 2016). This study commits to a view in which knowledge is seen as simultaneously personal, practice-oriented, and socially constructed (Crane 2013), and knowledge sharing is understood as a common process for individuals to share both implicit and explicit knowledge and to create new knowledge (van den Hooff and de Ridder 2004). Factors that contribute to knowledge sharing in an organization include organizational support, communication, social support, shared goals, knowledge resources, and technology (Witherspoon et al. 2013), whereas knowledge sharing has been found to be hampered by physical distance, incompetence and fear in exploiting knowledge, power conflicts over knowledge, and a lack of respect and attention (Lilleore and Holme Hansen 2011). Van Krogh (2011) has combined these factors into a conceptual framework which compiles the opportunity structures for knowledge sharing. This conceptual framework, the opportunity structures for knowledge sharing, is utilized in the analysis of the data in this study. According to Van Krogh's (2011) framework, the factors composing the opportunity structures are physical frameworks, functional routines, discussion platforms, group meetings, or nonverbal cues formed over a long period of time.

As sales units operate in a divergent position in organizations compared to other departments (Ingram et al. 2007), knowledge sharing and its effects on innovation may include specific dimensions in a sales context. Relatively few studies focus on assessing the role of sales and sales-related knowledge in a firm's innovation process although organizational knowledge sharing influences the firm's innovativeness (Crossan and Apaydin 2010) and knowledge is increasingly regarded as one of the main aspects developing sales organizations (Madhavaram and McDonald 2010; Menguc, Auh, and Kim 2011). Previous sales research has focused on sales innovativeness included in the psychological climate (e.g., Martin and Bush 2006; Evans et al. 2007); the relationship between innovativeness and salesperson-sales manager relationship and trust (Strutton, Pelton, and Lumpkin 1993; Martinaityte and Sacramento 2013); the influence of management control systems on innovativeness (Baldauf, Cravens, and Piercy 2005; Matsuo 2009); the impact of customer orientation on innovativeness (Matsuo 2006; Wang and Miao 2015); creativity in sales (e.g., Martinaityte and Sacramento 2013); the concept of innovation selling (Hohenberg and Homburg 2016), and sales participation in new product development (Joshi 2010; van den Berg et al. 2014). As the literature on the role of knowledge sharing in sales is quite young (Menguc, Auh, and Kim 2011), and, at the same time, the salesforce increasingly has to have the ability to manage large amounts of knowledge (Madhavaram and McDonald 2010) and customer relationship management systems are still in progress in many sales units (Arnett and Badrinarayanan 2005), the area of customer-related knowledge and its use in sales and for innovation calls for more specific research.

Because of the accessibility of new knowledge from customers, knowledge sharing in a sales unit creates organizational capabilities and can be involved in forming the basis for the firm's overall success (Verbeke, Dietz, and Verwaal 2011). By engaging in customer orientation behaviors, a sales unit has access to market-specific knowledge which is a critical kind of

knowledge in business networks (Johanson and Vahlne 2009). As business networks mostly consist of customer relationships (Pernu, Mainela, and Puhakka 2015), customer knowledge is seen to influence the value of business relationships (Hohenthal, Johanson, and Johanson 2014), and the sales force regularly interacts with customers, partners, and competitors, as they are in a unique position to identify market intelligence and other useful knowledge (Ingram et al. 2005). Since salespeople act as knowledge brokers between customers and the firm (Matsuo 2009; Verbeke, Dietz, and Verwaal 2011), knowledge absorption from external network as well as internal knowledge sharing are essential characteristics of salespeople's work (Menguc, Auh, and Kim 2011). External communication (including customers), the communication systems, and the use of that customer knowledge positively influence the level of organizational innovativeness and innovation success (Hurley and Hult 1998; Kim et al. 2011). Having a complete and thorough knowledge of customer needs, investing in technology for customer relationship management, and having an effective knowledge management system provide necessary tools to connect with customers, acquire knowledge and use that knowledge in finding innovative solutions to customers' problems (Arnett and Badrinarayanan 2005). Previous research has shown that innovative firms, compared to less innovative ones, have been observed to devote more resources to motivating, informing, and sharing knowledge, as well as educating their sales force to do so (Hurley and Hult 1998; Auh and Menguc 2005.) However, previous sales research has also found that both intra- and interunit knowledge sharing in a sales context are complicated (Kotler, Rackham, and Krishnaswamy 2006; Le Meunier-FitzHugh, Massey, and Piercy 2011; Menguc, Auh, and Kim 2011).

The success of knowledge sharing and its influence on innovativeness depends heavily on the possibilities, ability, and motivation of the sales force. In order to enhance innovativeness in terms of knowledge sharing, leaders should support salesforce development (Shannahan, Bush, and Shannahan 2012); invest in education, training, and diversity management (Auh and Manguc 2005); hire individuals with the required knowledge (Madhavaram and McDonald 2010); motivate (Crossan and Apaydin 2010); but also ensure that organizational structures enable and encourage the sales force to share and use knowledge to guide innovations (Paulin and Suneson 2012). With the ongoing transformation in sales functions, salespeople are increasingly involved in cross-functional activities, and can play a pivotal role in innovations by engaging in intraorganizational knowledge sharing behaviors (Menguc, Auh, and Kim 2011). Furthermore, a prominent recent trend in sales is the changing nature of sales work, wherein salespeople are often dependent on each other to successfully complete their sales tasks (Wang and Miao 2015), which, in turn, requires cooperation and knowledge sharing.

RESEARCH DESIGN

The focus in this study is on business-to-business, knowledge-intensive, small and medium-sized companies operating in the ICT sector, where the issues of acquiring, creating, and sharing knowledge are prominently present in everyday organizational life. Knowledge-intensive companies produce knowledge-based products and services (Alvesson 2004; Nordenflycht 2010) and knowledge is the capital with which they compete in the market (Tong, Tak, and Wong 2014). In the ICT sector, new and evolving technologies require up-to-date knowledge, firms must constantly monitor and forecast developments in the operative environment (Tong, Tak, and Wong 2014), and therefore market-related knowledge is especially crucial to those firms. The primary empirical material for this study will be collected through theme interviews with salespersons and sales managers in the firms defined above. Based on the criteria for the study design, the case companies must represent the ICT sector, must be business to business companies, and must have appointed salespersons. The analysis will utilize a theory guided content analysis (Yin 2014) for theorizing across several cases and finding common thematic elements across research participants, and then for combining these with the earlier literature. To answer the research questions, Van Krogh's (2011) conceptual framework of the opportunity structures for knowledge sharing will be utilized in analyzing, conceptualizing, and comparing the research material.

EMPIRICAL FINDINGS AND CONTRIBUTION

The expected findings of this study could increase the understanding of the influence of opportunity structures for knowledge sharing in sales, as well as identify the hindering and promoting effects that formulate the barriers or bounds to knowledge sharing possibilities, and increase the understanding of how knowledge in sales can be shared within and outside the sales unit and transferred to guide innovation. Additionally, the findings could reveal the importance of customer-/market-related knowledge in the innovation process and provide insights into the role of sales in this process. The findings of this study could be also utilized when designing future research related to sales innovativeness, knowledge sharing and its determinants in sales; when considering the effects of different structures on knowledge sharing behavior; and when forming more innovative and knowledge intensive sales units. Moreover, a deep understanding of the relationship between salesforce knowledge sharing behavior and firm's innovation can benefit sales units and firms in creating a competitive advantage.

References Available on Request.

CUSTOMER-CENTRIC APPROACH IN SELLING FRUGAL INNOVATIVE PRODUCTS: A START-UP ENTERPRISE PERSPECTIVE

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INTRODUCTION

Frugal innovative products provide product- and service-based solutions to low-income consumers in developing countries. Frugal innovation has emerged as an inclusive innovation and is supported by social and political empowerment at the grassroots (Hossain, 2018). Low-cost frugal innovation products are promoted by educating consumers with the rationale of utilitarian value over hedonic perceptions. The salespeople of start-up enterprises propagate their products with social value for conscious consumerism (Abbey et al., 2017). This study focuses on niche-based sales and strategies for scaling-up demand within longitudinal dimensions associated with the frugal innovation products. The low-cost frugal innovation products operate in non-branded product segments and drive cost-effective sales strategies (Liu et al., 2018).

This study also analyzes the impact of buying behavior, customer segmentation, propensity to buy, and satisfaction level among the frugal innovative products of the start-up enterprises (SUEs) in Mexico. The scope of the study has also been expanded to analyze the growth in market share through implementation of customer-centric approach within niche market. The consumer perceptions on buying frugal innovative products have also been studied in the context of the influence of product referrals, cognitive variables of customer including psychodynamics, anthropomorphic attitude, and repeat buying behavior (*e.g.* Varela-Candamio et al., 2018).

METHODOLOGY

This study has been conducted using quantitative research method, by administering the research instrument to the customers who exhibited buying preferences for innovative products of start-up enterprises. Research instrument was developed to investigate customer preferences, value-for-money, potential for referral and repeat buying, and developing loyalty with innovative products. The survey was also aimed at understanding the influence of the above attributes on customers towards buying innovative products of unfamiliar brands. Two focus group discussions with 10 and 12 respondents, were conducted to collect information on purchase intentions towards innovative products of SUEs. Information was collected from 47 sales representatives of SUEs promoting frugal innovative products and 223 buyers of these products in Mexico. The data was subjected to statistical analysis process to validate the following hypotheses:

H₁: Customer-centric approach helps in enhancing the sales of frugal innovative products.

H₂: Generating consumer awareness and social values on frugal innovative products increases volume of sales and product performance in niche markets.

H₃: The buying behavior for low-priced innovative products are driven by utilitarian perceptions, repeat buying behavior, and conscious consumerism.

FINDINGS

The data has been analyzed using linear regression model and Pearson correlation statistics to validate the hypotheses. The regression coefficients have been computed using SPSS v25 through the following equation:

$$Sl_{per} = \alpha + \beta_1 Val_{per} + \beta_2 Cst_{ret} + \beta_3 Lct_{sbs} + \beta_4 Rpt_{buy} + \beta_5 Sl_{vol} + \beta_6 Cst_{awr} + \beta_7 Soc_{val} + \beta_8 Utl_{per} + \beta_9 Cons_{consu} + \epsilon$$

Wherein,

Sl_{per} = Sales performance

Val_{per} = Perceived value

Cst_{ret} = Customer retention

Lct_{sbs} = Low-cost substitution

Rpt_{buy} = Repeat buying behavior

Sl_{vol} = Sales volume
 Cst_{awr} = Customer awareness
 Soc_{val} = Social values
 Utl_{per} = Utilitarian perspectives
 $Cons_{consu}$ = Conscious consumerism
 ε = error term

The study revealed that customers are attracted towards low-cost innovative products as substitutes ($\beta_3 Lct_{sbs} = 0.498, p < 0.05$) for high-priced branded products to gain relatively higher perceived value ($\beta_1 Val_{per} = 0.619, p < 0.01$), which influences repeat buying behavior ($\beta_4 Rpt_{buy} = 0.594, p < 0.05$). The analysis of data suggests that salespeople ($\beta_2 Cst_{ret} = 0.648, p < 0.01$) of start-up enterprises develop intensive customer relations with each customer, which helps in improving the sales of frugal innovative products within the niche markets. The inter-variable effectiveness has been analyzed using Pearson correlation, which revealed that perceived value and repeat buying behavior are closely associated ($r = 0.627, p < 0.001$). In addition, the results suggest that the low-cost substitution helps in increasing sales volume of low-priced innovative products as these variables appeared to be closely associated ($r = 0.527, p < 0.05$). The results explained above are consistent with the hypotheses H₁ and H₃.

The study revealed that salespeople of start-up enterprises focus on generating consumer awareness ($\beta_6 Cst_{awr} = 0.482, p < 0.05$) on home-grown low-priced innovative products by stimulating utilitarian perceptions ($\beta_8 Utl_{per} = 0.591, p < 0.01$) and social values ($\beta_7 Soc_{val} = 0.537, p < 0.05$) to motivate conscious consumerism ($\beta_9 Cons_{consu} = 0.612, p < 0.01$). Such sales process is synchronized with product attributes, customer relations, and repeat buying behavior within the niche market. Results of the data analysis divulged that utilitarian perceptions are reinforced among consumers by generating adequate consumer awareness on frugal innovative products ($r = 0.651, p < 0.01$). Further, the relationship between conscious consumerism is stimulated by social values, which motivates consumers to buy innovative products manufactured by local start-up enterprises ($r = 0.674, p < 0.01$). Consequently, the results discussed above are consistent with the hypotheses H₂ and H₃.

DISCUSSION

The salespeople of SUEs follow customer-centric approach by generating one-on-one consumer awareness to illustrate the effects of low-cost substitution on utilitarian values. Salespeople also emphasize on social values associated with start-up enterprises and encourage customers to inculcate conscious consumerism not only as a support to the SUEs, but also to strengthen the local economy. In addition, the social values are reinforced by entrepreneurial leaders who play significant role in the social and economic development. Accordingly, the salespeople reinforce customer relations to improve the perceived value among customers with an expectation of increase in repeat buying behavior to augment sales volume.

Customers actively interact on digital platforms and inter-personal forums to promote a positive word-of-mouth (WoM). The awareness among customers generated through social networking helps salespeople in developing *me-too-feeling* among customers towards the innovative products. SUEs operate in niche markets to generate product awareness, use value, and buying propensity. Low prices of innovative products in niche markets create not only personal preferences, but also social consciousness about the products of SUEs.

IMPLICATIONS

As the customers are constantly evolving and the market technology is continuously advancing, start-ups should focus on digital selling strategies to expand their outreach to customers. Start-ups may explore new markets beyond the niche and explore opportunities by generating customer interest in low-price innovative products to gain competitive leverage. The salesforce of SUEs need to reorient sales strategies by enhancing customer awareness about the cost-effectiveness and utilitarian values of the products and services through effective customer engagement and co-creation. Such strategy would help SUEs gain strategic advantages selling frugal innovative products in larger markets against the competitive brands. SUEs should create demand for their products and services in niche markets along with customer-centric approach to create awareness, trust, and loyalty. These practices would help SUEs in developing repeat buying behavior leading to sustainable growth of the SUEs in the long run. SUEs should plan to converge bottom-up marketing strategies with sustainable market orientation to explore strategic alliance with large companies and industries to attain organic growth.

ORIGINALITY/VALUE

Entrepreneurship in Mexico has traditionally been developed in niche market segment, which lacks in customer value chain (Contreras et. al., 2012). This concept has not been well explored in the previous studies though the economic relevance of SUEs has been debated widely (Scott-Kennel, 2009). Therefore, this paper contributes to the existing literature on analyzing social and business opportunities and exploring customer-enterprise responsiveness towards increasing organizational performance.

References available on request.

EFFECTIVE SHORT SALES PITCHES IN A PITCHING BATTLE

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ABSTRACT

Entrepreneurs' presentation skills play a major role when they aim to attract investors' interest, build trust and convince investors' on their business idea (Lathan & Tello, 2016; Sanchez-Ruis, Wood & Long-Ruboyianes, 2021). Previous research has investigated structural aspects and content of the pitches, linguistic and rhetorical aspects of the pitches, as well as entrepreneurs' presentation skills (see e.g. Chen, Yoa & Kotha, 2009; Clark, 2008; Daly & Davy, 2016; Lucas et al., 2016; Warnick et al., 2021). However, to best of our knowledge, previous research has not investigated short sales pitches that are presented in a battle format in Nordic countries. Furthermore, previous studies have not focused on how Monroe's motivated sequence (the ANSVA-model) is suitable for organizing sales pitches.

The aim of this research is therefore to identify how effective sales pitches are structured in a pitching battle in Finland. Research data was collected from the Tahko Ski Lift Pitch Competition, in which two entrepreneurs at a time presented their sales pitches while sitting in a ski lift and competing with each other. Research data consists of 20 videotaped sales pitches (3 minutes each) from which 12 were successful and 8 were unsuccessful pitches. Furthermore, all judges (n = 5) were interviewed. Data analysis of pitches consists of structural and rhetorical analysis. Transcribed interviews were analysed through theme analysis.

Findings suggest that there are five structural elements in an effective sales pitch in a battle context in Finland. These are **attention**, **need** / problem identification, **satisfaction** and **benefits**, **target market**, **future plans** and **funding**. Based on the analysis, we contribute to ANSVA-model and present a new modification of it, namely ANSTU-model, which describes the structure of an effective sales pitch in a battle context in Finland. Rhetorical analysis revealed that entrepreneurs should be able to use all rhetorical strategies of *ethos*, *pathos* and *logos* in their sales pitches. Results help entrepreneurs to plan the structure and rhetorical strategies as they need to deliver a short sales pitch in a battle context.

References Available on Request

DUALITIES IN DATA-DRIVEN B2B SALES AND SALES MANAGEMENT

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ABSTRACT

In business-to-business sales, instinct-based human interaction is often the norm, while the potential of process-based and data-driven approaches has not been thoroughly studied, especially in combination with artificial intelligence. This study examines this potential through an analysis of dualistic factors related to implementation of data-driven sales at B2B companies of all sizes. Based on empirical observations from 162 companies, four dualities are identified: waste/opportunities, customer satisfaction/buying behaviour, large/small sample sizes and manual data input/closed-loop learning. It is suggested that a balanced focus on these dualities can enhance customer value creation and act as a platform for growth. We also present “*ToC growth ratio*” to demonstrate the universal link between compound annual growth rate (CAGR) and Win Rate (WR).

INTRODUCTION

The starting point for this study can be defined through five contextual factors. Firstly, data driven sales and sales management is already becoming commodity in B2C consumer e-commerce (Brahma and Dutta 2020), but B2B sales is still to large extent based on human interactions. Secondly, sales as a process is still relatively new in literature. Although there has been widely adopted concepts such as Marketing Mix, originally formed around 4 Ps (product, price, place, and promotion) and further evolved to 7P (including also process, people, and physical evidence), Sales process excellence (Webb 2014) can be considered as the first comprehensive concept which focus on sales as a production system (marketing + sales + service). Thirdly, sales is often viewed as instinct-based, and theories such as emotional intelligence have a strong role in buyer-seller interactions (Nandy 2020). Also widely used Solution Selling model (Eades 2013) provides a good framework to “how you engage” with customer at multiple levels. These, however, often contradict with process led and fact-based management approach. Fourthly, development speed of Artificial Intelligence (AI) and Business Intelligence platforms is far exceeding the data literacy skills of people (Bryla 2018), and AI is be expected to fundamentally change the B2B sales process (Paschen et al. 2020). Fifthly and finally, process optimisation and usage of Lean (Womack, Jones and Roos 1991; Modig and Åhlström 2013) or Lean Six Sigma (Smith 2013) methods can be considered business as usual in production and service process environments, but entry to sales environment is still lacking (Goodman and Feldman 2017).

From this starting point, we further investigate enablers of, and obstacles to, successful implementation of data driven sales models in companies operating in the business-to-business (B2B) market. We present these factors as dualities, sometimes complementary and sometimes contradictory. They are identified and analysed against previous research and the authors’ experience in facilitating sales process development projects in 162 companies of various sizes between the years 2014 and 2021.

MATERIALS AND METHODS

The dualities discussed in the Results section were identified during the time-period 2014-2021 through sales process improvement projects facilitated by the first author as a part of his daily business. The sample used for this identification consists of 162 companies of all sizes ranging from self-employed to global corporations (Table 1).

One large corporate project with ~100k employees, included the following main tasks:

- Completing Lean Six Sigma Green Belt and Black Belt training programs and execution of respective improvement projects (2013-15).
- Participation in Lean Six Sigma (L6S) Master Black Belt training program between 3/2016 and 1/2018
- Adapting company’s green/black belt training programs to better match sales environment
- Mentoring 30+ L6S green/black belt candidates, with special focus on sales related projects and improvement of Win Rate
- Change management within sales and quality organizations to enable effective usage of quality methods in sales environment.
- Leading global Lean-sales project, with special focus on win/loss analysis and usage of CRM based mega data to improve Win Rate.

All other (161 in total) projects were consulting projects for smaller businesses. These companies were from numerous different industries, ranging from accounting company to IT-consulting, paint shop to textile recycling, cleaning company to musician, black smith to robotics consulting and construction company to marketing agency. Typical project was conducted within 3-5 consulting days and included the following topics:

- Current stage analysis and identification of competitive advantages/disadvantages
- Formulation of strategy and strategic targets
- Identification of 5-8 target groups, from which at least one was on B2B side
- Identification of customer buying process for each target group
- Identification of customer buying criteria for each target group
- Win/loss analysis of past sales cases
- Development of own marketing and sales process

In addition, projects addressed items such as pricing, productization, time-management and/or innovation development. Also, more detailed analysis of customer problems (and their root causes) was done for 33 small businesses, resulting in 690 identified challenges.

Dualisms were identified comparing empirical experiences from all 162 companies with literature. In addition to academic literature, a plethora of books, particularly related to Lean and Lean Six Sigma application in sales and marketing, were extensively used as background material.

RESULTS

From the experiences gained from the aforementioned 162 companies, a set of common behaviours central to moving from instinct based sales to a data, fact and process driven sales model was identified. All these behaviours can be related as forces that can be seen as opposite or contrary, but in reality, are often complementary and interconnected. By having a right mindset, they complement each other and enable data and fact-based top line improvement with high potential for growth.

Duality 1 - Focus on Waste vs. Focus on Opportunities

Over decades, various quality management systems have been established to assure highest possible quality of product or service delivery. One of the most successful methods is Lean where the aim is to reduce unnecessary "waste" from a process, but similar waste or defect-driven thinking is valid also for other methods such as Six Sigma.

A defining factor of Lean Six Sigma improvement project benefits is the use of financial metrics to measure project impact, something that can be used as a baseline when discussing the impact of waste versus opportunity driven improvement projects.

Literature, as well as own experience, refers to typical L6S Green Belt project benefits in the range of 50-100k\$, and Black Belt project savings in the range of 150-250k\$.

- "Considering all 96 Black Belt projects the estimated gross hard (e.g., cost reduction, revenue increase) financial benefits achieved as an average 200k\$ per project." (iSixSigma 2012)
- Quality Knowhow Karjalainen has studied 100 Six Sigma Black Belt -projects benefits during 1999-2012 and reported almost identical savings of 198k€ per project (Quality Knowhow Karjalainen 2012)

Deep dive to iSixSigma study (2012), enables estimation of typical project benefits vs. company turnover. Using 200k\$ median benefit and comparing that with the turnover size of companies (median close to \$1B), one can conclude that typical project benefit is in the range of 0,02% of company turnover. It should be noted that black belt projects are not in practise executed in small businesses, so this data only represents a sample from medium or large corporations.

While removing waste (or defects) is a perfectly good idea also in sales process, this "negative angle" often is a showstopper for successful improvement in sales environment. Only very few examples can be found that focus genuinely on opportunity or value side. The survey referred to in the previous paragraph (iSixSigma 2012) also investigated the financial targets set for Black Belt projects. The vast majority of projects were driven by cost reduction targets (e.g. 84% aimed at cost reduction and 54% aimed for cost avoidance), while only 30% of the projects had included topline/revenue growth among the product goals. Nevertheless, focusing on opportunities and especially Win Rate (WR) improvement could open-up a huge opportunity with a

potential impact significantly beyond the impact of typical waste driven sales process improvement. We illustrate this potential by investigating the ratio between Compound Annual Growth Rate (CAGR) and Win Rate (WR) (Figure 1).

In Figure 1, CAGR is calculated using the formula in (1)

$$CAGR = \left(\frac{V_{final}}{V_{initial}} \right)^{1/t} - 1 \quad (1)$$

in which $V_{initial}$ = beginning value, V_{final} = final value, t = time in years, and Win Rate (WR) is the ratio of won sales cases to the total amount of cases. Basic assumption is that the distribution of won/lost offers does not change over time. If overall WR improves by 10%-points, offers of all size (small, medium and large, based on monetary value) improve by 10%-points.

Further, we derived the ratio between CAGR and WR. This ratio, named as **“IoC growth ratio”** (2), can be calculated using a universal formula of

$$CAGR = \left(1 + \frac{n \cdot \Delta WR}{WR_0} \right)^{1/n} - 1 \quad (2)$$

, in which n = number of years, WR_0 = original Win Rate %, ΔWR = annual improvement of Win Rate in %-points. For clarity, *IoC growth ratio* does not depend on revenue and thus is universal with given definitions of WR and CAGR.

From Figure 1, we can observe that companies with low (<15%, i.e. left side) WR as a starting point, even an improvement of a few percentage points (pp) provides substantial CAGR increase. Respectively, companies with 15-50% WR as a starting point gain 2-8 pp CAGR (middle) and companies with 50-100% WR gain ~2 pp CAGR (right side).

It should be highlighted that a two-point CAGR increase is substantial for many businesses. Table 3 further illustrates this point using different company sizes (0,1M€ to 1B€ revenue), different initial win rates and yearly win rate increases example of different company size. Further, it highlights how big CAGR and revenue increase is with 1 pp, 3 pp and 5 pp annual Win Rate improvements. As a conclusion, 10-100% revenue increase and/or 2-25% CAGR increase is substantial for any company.

Above calculation includes only impact of Win Rate improvement, i.e. it does not count any positive or negative market trends. It can be seen, that using CAGR we can link Win Rate to company growth and demonstrate its substantial potential for revenue growth. Even smallish 1-5 pp annual improvement of Win Rate can double the business in few years of time.

For large companies (A), the difference between the two sides of the duality is quite drastic. For example, if a company with B1€ turnover starts from a 40% Win Rate as the starting point and can improve that to 43% over the span of three years (one percent-point improvement per year), the total revenue increase in 3 years is \$75M and the CAGR 2%. This would be 375-fold compared to expected ~200k€ waste driven project benefit discussed in the beginning of this section. Based on our observations, particularly regarding the inefficiency of sales processes, a 3-6 % increase to win rate would be realistic, even with relatively simple process optimisation means.

Furthermore, we can consider a self-employed (B) small business owner with \$100k revenue per year. If this small business can in 3 years improve Win Rate from 26% to 29%, the additional revenue in 3 years is \$12k and CAGR 4,0%. Again, based on our observations, in particular the nonexistence of sales processes, we estimate that small businesses could reach a 10-30% increase in Win Rate with relatively simple sales process development.

Both examples, A and B, are with modest 1 pp annual improvement. If the annual improvement is 3 pp or 5 pp, the impact to CAGR and revenue increase is manyfold as can be seen from Table 4. Quote from one sole entrepreneur (Robotics consultant), shows that there's potential for much more. *“Lean Six Sigma Sales training has already influenced the company sales and, above all, the thinking process of the entrepreneur. Measuring the sales, especially the offer win rate, gives data that can be used together with the root analysis to improve the sales process. In the perspective of a small company, the most important thing is to improve our own activities, not to do scientific evaluations. In my opinion, the training program does this excellently. During the project, the win rate of First Wave Ltd's offers increased a whopping 28 %, which means about 52 000 € increase per year. For a solo entrepreneur, this is a great improvement!”*, Mr. Mika Rohula, CEO of First Wave Ltd.

Duality 2 – Customer Satisfaction vs. Buying Behaviour

Customer orientation is one of the corner stones for practically any modern management philosophy, and according to practical experience this is often interpreted as something that can be measured through customer satisfaction. The logic is simple: high quality product or service correlates with customer satisfaction, and this is what most companies want – right?

However, as has already been observed, customer satisfaction and winning new business are not always directly correlated. For example, “Six Sigma Marketing, from cutting costs to growing market share” (Reidenbach 2009) defines market share as a function of following factors: 1) acquiring new customers, 2) inducing current customers to buy more or to purchase more frequently and 3) retaining current customers. In related article (Reidenbach 2003), he also states *“Companies spend lots of time and money on complex tools to assess customer satisfaction. But they’re measuring the wrong thing. The best predictor of top-line growth can usually be captured in a single survey question: Would you recommend this company to a friend?”*. This is closely aligned also with buying/sales process presented by Leijala (2019), where he highlights that sales process does not stop to closing the deal, but rather to the (after delivery) point where reference usage is agreed.

In most observed cases, customer satisfaction measurement focuses on a company’s own performance, while benchmarking against competitors is missing. This limits the usage as we don’t know how measured satisfaction ranks against the competition.

Moreover, customer satisfaction surveys are by nature limited to existing customers, while addressing non-customers is in the minds of many salespersons. Furthermore, this way of measuring is not aligned with possible strategic sales initiatives to move to new or adjacent markets.

Therefore, the other side of the coin should always be considered – how can a company measure its sales performance against competition? Instead of customer satisfaction, Win Rate is clearly more useful. Key stakeholders and these interactions are illustrated in Figure 2.

To win a bid, it is enough to be slightly better than your competitors. Generally, this means finding an optimized balance between:

- Customer price. The lower it is the easier it is to win a bid.
- Competitive Advantage. The more positive differentiators, the easier it is to win.
- Profitability. The lower profitability you accept, the easier it is to win a bid.

As internal data is easier to access, it was observed that it is useful to pay special attention to competitor data and how you use that to identify strengths and weaknesses.

Insight to how a company ranks against its competitors brings us towards the “Yang” of this observed duality: a company should prioritize understanding the buying criteria, instead of customer satisfaction. Armed with this insight it is possible to align a company’s sales process with the customer’s purchasing process so that all process steps add value as illustrated in Figure 3 (Leijala 2020).

It has been observed that the following questions can be used to provide a solid basis for creating or fine-tuning a company’s marketing and sales processes:

- What are customer needs and/or problems?
- How and where customers search for a solution?
- How does customer contact potential supplier?
- What are the criteria for comparing alternative solutions?
- What kind of relationship customer wants to establish with supplier?
- What are the top 3 decision making criteria?
- What needs to happen, in order for a new customer to become a reference customer?

Our experience suggests small businesses often struggle with understanding customer needs and behaviour. As part our research, we conducted a survey of 33 small businesses. Regarding their major challenges, 82% had problems in understanding customer buying criteria and 64% of them referred that poor Win Rate is one of the most important challenges. Overall, 95% had sales related problems, while only 3% had challenges in cost management.

Duality 3 – Large vs. Small Sample Sizes

In production environments and in statistical approaches to process improvement, confidence levels of 95% accuracy or even more are often expected. Similarly, low levels of defects such as the often cited Six Sigma target of 3,4 defects per million opportunities are expected. To reach these levels requires large amounts of data. In a B2B sales environment this is often an impossible task, particularly for small businesses. This may deter them from using data driven methods. If we consider lost case to be the “defect”, reaching Six Sigma target would mean that we lose only 3.4 cases in million opportunity. This is unrealistic.

However, our observations support the old adage that sample sizes of thirty often provide sufficient confidence level for decision making in a B2B sales environment. In practice this means that if you calculate Win Rate, or analyse reasons for winning/losing, you should have at least 30 samples in your analysis. Most small B2B businesses have more than 30 won/lost tenders in a relatively short time frame such as the past year. This was also confirmed by analysis of 1412 sales cases, which concluded that 95+% confidence level can be reached with 80 cases and 50+% confidence level with ~30 cases. 50+% statistical confidence in sales environment is already a big improvement to instinct based decisions.

While perfectness is not needed, confidence level is probably the most critical KPI you should address in L6S sales projects. We can and should of course test the market behavior with AB split tests, as suggested by Ries (2011), but even in that case we should try to have a solid baseline for decisions instead of a widely used shotgun approach. Once the confidence level is high enough, also the sales management starts to believe on it and company can move to more data/fact driven sales management (vs. instinct). These types of confidence level calculations should be implemented in CRM systems and Win Rate (or any other KPI) reporting. However, more advanced Business Intelligence (BI) platforms are still needed to provide this information for decision making.

Furthermore, we have observed that the logic behind applying artificial intelligence, big data analytics and prescriptive analytics can be applied without having a large mass of data. We have illustrated this with the concept of the “Internet of Competition” stack illustrated in Figure 4 and Figure 5. It aims to demonstrate how even a small sample sizes can be systematically for creating company specific rule for “how to win in future”, and how also small B2B businesses can perform analytics on their win/loss data. In our observation, this is the first ever Artificial Intelligence application for most small businesses operating in traditional industries and service sector.

Duality 4 - Automation: Manual vs. Closed Loop

To a large extent, quality improvement methodologies, such as Six Sigma, were created prior to massive digitalization and large-scale deployment of information systems such as CRM. systems. As a result, to date for example Lean Six Sigma tools are usually scattered in Excel and Power Point templates. This has led to a somewhat manual approach in data collection and a respective need for Measurement System Analysis (MSA) as a part of L6S improvement projects. In the authors’ experience, the measurement phase is a frequent pain point in data driven improvement projects, suggesting that automation is a substantial opportunity for “improving continuous improvement”.

We have noticed this to hold a lot of promise regarding sales processes. CRM systems are nowadays quite well established in medium and large companies. Systems of different vendors are also similar to each other, and most importantly have similar data structures. This availability of sales pipeline data availability enables the automation of many Key Performance Indicators (KPIs) and thus provide a fast feedback loop for any process improvement.

This idea has been elaborated using the concept of the Internet of Competition (IoC) stack (Leijala 2020). Figure 5 illustrates how IoC stack can be further linked with Six Sigma’s DMAIC (Define, Measure, Analyze, Improve, Control) improvement project steps, thus providing a structured and continuous win rate improvement platform for DMAIC projects. It should be noted that this applies to virtually all B2B companies with 30+ sales cases per year.

DISCUSSION

Data driven sales and sales management is already becoming commodity in B2C consumer e-commerce, but B2B sales is still based on human interactions. Moreover, B2B sales are often seen as instinct based instead of taking a process approach. Process optimisation and usage of Lean, Lean Six Sigma or Continuous Improvement methods can be considered business as usual in production and service process environments, but entry to sales environment is still lacking.

We further investigated obstacles preventing successful implementation of data driven sales models in companies operating in the business-to-business market. These obstacles are presented as dualities. Special emphasis is given on applicability to companies of all sizes, i.e. starting from sole entrepreneurs and ending in large global corporates with hundreds of thousands of employees and thousands of salespersons. The outcome of our research was described in 4 dualities, and strongly suggest Yin Yang type of approach, where opposite forces complement and strengthen each other. Especially focus on Win Rate and usage of Lean Six Sigma methods to institutionalise data driven sales optimisation bring the best outcome with substantial potential for growth. This can be achieved in B2B companies of all sizes, which is important for the model to be universally used.

The discovery of **IoC growth ratio** (Figure 6) further supports conclusion that the potential can be considered endless from both qualitative (high CAGR, which is linked with WR) and quantitative (# of companies) perspective. There are tens of millions of such B2B companies globally and millions of new ones established each year.

Taking a wider perspective to Marketing and Sales as well as Lean Six Sigma evolution, it has been interesting to observe that these two domains have been living/evolving virtually totally isolated from each other. Only recently, enforced by the evolution of Artificial Intelligence and Business Intelligence platforms, they have started to merge, positioning Internet of Competition (IoC) model (Leijala, 2020) to be the glue between them. Instead of being opposite forces, they start to complement each other (Figure 7) and thus provide additional value to customer and a growth platform for companies.

We also see that Internet of Competition model (IoC) answers the key questions highlighted with reference to challenges in sales decision making (Albers, Raman and Lee 2015), where optimisation problems in sales management include virtually all other (typically internal) aspects, but not how to optimise the win rate in a simple way. Based on our experience, if sales personnel and management 1) believe on the data (entered by themselves), 2) understand the model (simple enough, including background theory) and 3) result is relevant to their major problem (which is to win more business, not saving more costs), they are also eager to use the model and results in decision making. This is well summarized by Vatche Beujekian, customer team head, Nokia: *"If we adopt discipline and provide accurate information, this will have substantial impact (A Harvard-case)"*.

Our study included 1 large corporate and 161 relatively small or even tiny businesses. Thus, applicability to medium size businesses could be seen as a limitation. However, we do not see this as a limitation as the same rules apply on their side. On the contrary, we expect the implementation of IoC model to be easier in middle sized companies as 1) they already have a documented sales process and CRM system established and thus basics are in place for further data collection and win rate optimization 2) they have far less portfolio and organizational complexity compared to large corporates.

There is one especially interesting duality for further analysis: Win rate vs. Price. What happens when win rate reaches or gets close to maximum of 100%? Should company increase the price and intentionally lower the win rate to, say 70% level, and then again focus on win rate (with better profitability)? How about opposite, should company decrease price to increase win rate? This may increase the topline revenue, but at the same time decrease profitability and creates multiple other "cost related challenges.

Tables

Table 1. Characteristics of the case companies.

	Sole entrepreneurs	2-9 employees	10-250 employees	100k employees
Quantity	106	45	10	1
Annual Revenue	10-100k€	100k€-1M€	1m€-10m€	25b€

Table 2. Dualities related to data-driven B2B sales and sales management

Duality	The “Yin”	The “Yang”
Business benefit	Waste	Opportunities
Focus	Customer satisfaction	Buying behaviour
Sample size	Large	Small
Automation	Manual	Closed loop

Table 3. Impact of Win Rate improvement to CAGR and revenue increase.

WR increase per year	Case	Revenue (m€)	Win Rate (%)	New Win Rate (%)	Revenue m€ (after 3 years)	CAGR	Revenue increase (m€)	Revenue increase (%)	
1%p/year	Case 1	0,1	26 %	29 %	0,1	4 %	0,012	12 %	← B
	Case 2	1,0	52 %	55 %	1,1	2 %	0,06	6 %	
	Case 3	10,0	34 %	37 %	10,9	3 %	0,9	9 %	
	Case 4	100,0	38 %	41 %	107,9	3 %	7,9	8 %	
	Case 5	1 000,0	40 %	43 %	1 075,0	2 %	75,0	8 %	
3%p/year	Case 6	0,1	26 %	35 %	0,1	10 %	0,035	35 %	← A
	Case 7	1,0	52 %	61 %	1,2	5 %	0,17	17 %	
	Case 8	10,0	34 %	43 %	12,6	8 %	2,6	26 %	
	Case 9	100,0	38 %	47 %	123,7	7 %	23,7	24 %	
	Case 10	1 000,0	40 %	49 %	1 225,0	7 %	225,0	23 %	
5%p/year	Case 11	0,1	26 %	41 %	0,2	16 %	0,058	58 %	
	Case 12	1,0	52 %	67 %	1,3	9 %	0,29	29 %	
	Case 13	10,0	34 %	49 %	14,4	13 %	4,4	44 %	
	Case 14	100,0	38 %	53 %	139,5	12 %	39,5	39 %	
	Case 15	1 000,0	40 %	55 %	1 375,0	11 %	375,0	38 %	

Figures

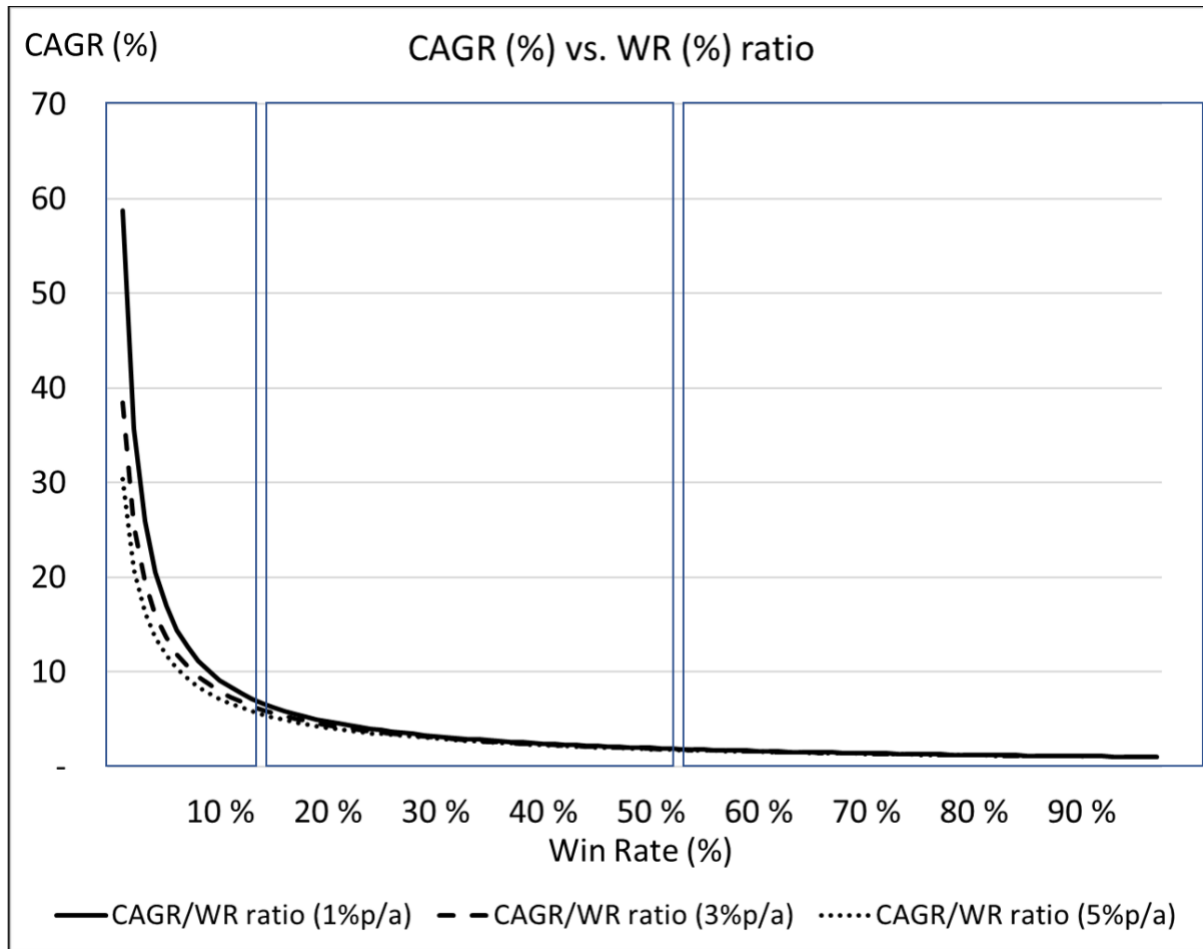


Figure 1. "IoC growth law". Ratio between Compound Annual Growth Rate (CAGR) and Win Rate (WR)

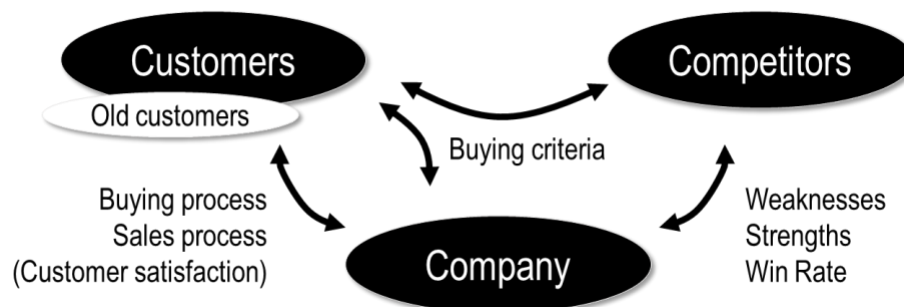


Figure 2. Key interactions between company, customers and competitors.

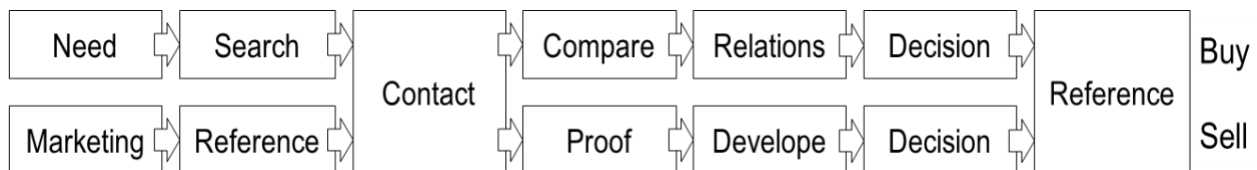


Figure 3. Aligning your marketing and sales process with customer buying process.

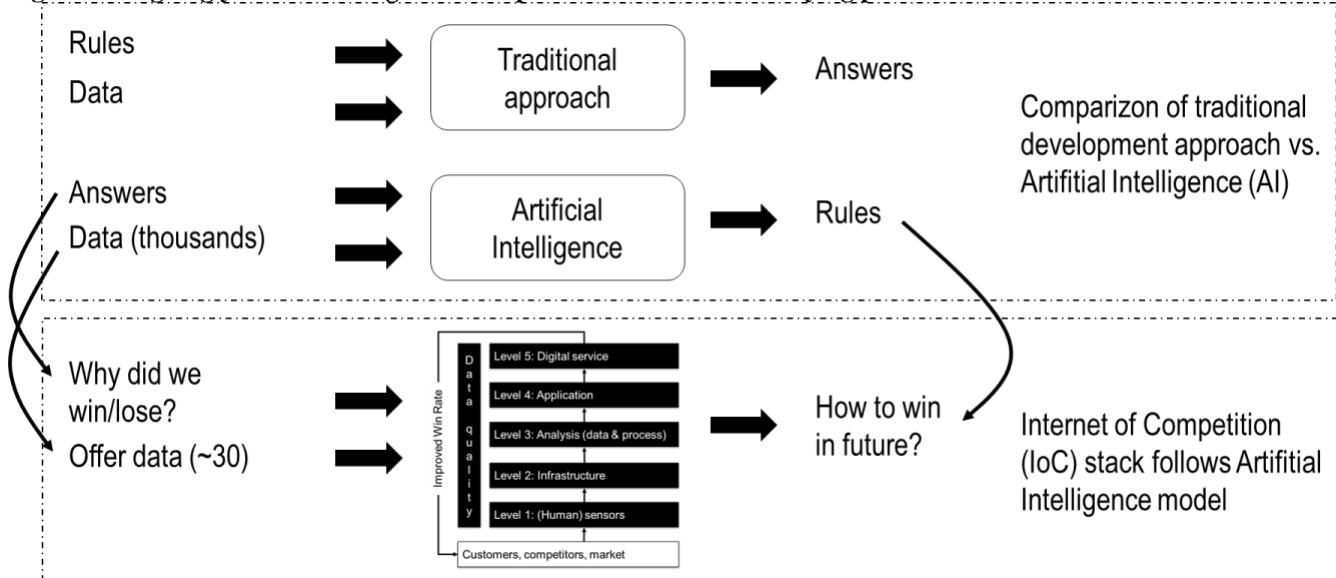


Figure 4. Internet of Competition (IoC) stack and link to Artificial Intelligence (Leijala 2020)

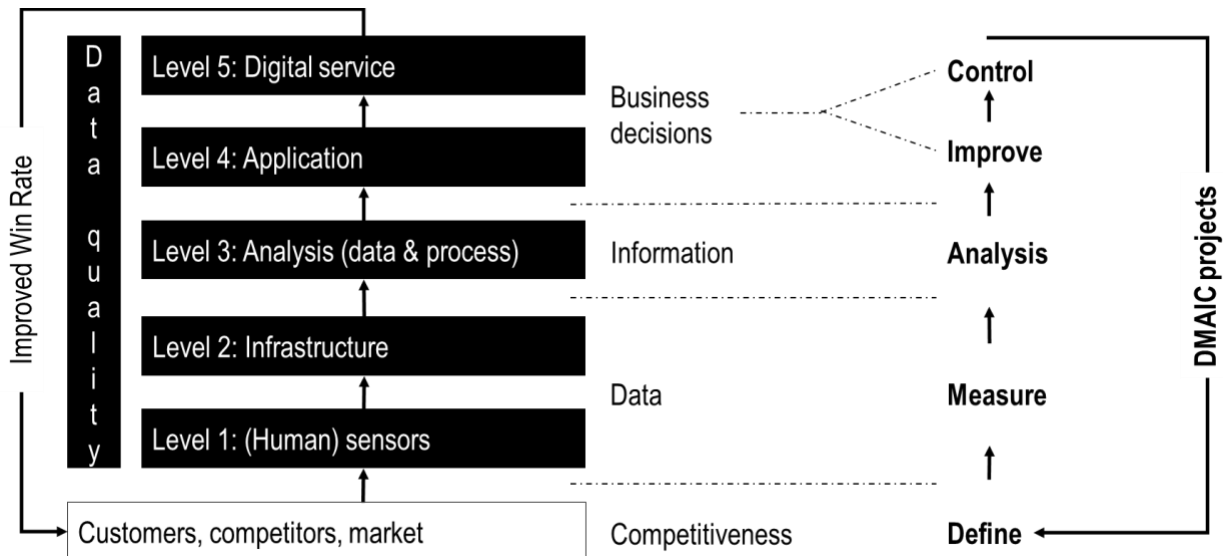


Figure 5. Internet of Competition (IoC) stack linked with the DMAIC process.

IoC growth ratio:

$$CAGR = \left(1 + \frac{n \cdot \Delta WR}{WR_0}\right)^{1/n} - 1$$

n = number of years

Win Rate (WR) = ratio of won sales cases to the total amount of cases

WR_0 = original Win Rate %

ΔWR = annual improvement of Win Rate in %-points

CAGR = Compound Annual Growth Rate

IoC = Internet of Competition

Assumption: Distribution of won/lost offers (value) does not change over time

Figure 6: Definition of IoC growth ratio.

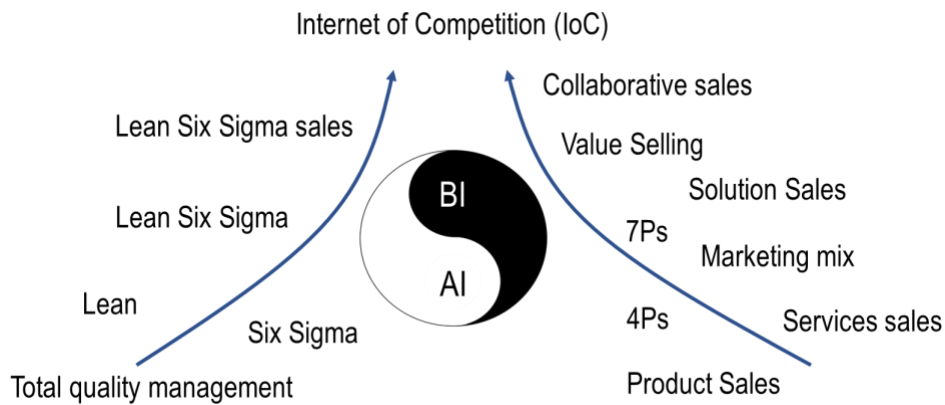


Figure 7: Quality management methods (left) are merging with marketing and sales methods (right).

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FUTURE OF SALES AFTER THE PANDEMIC: HOW MANAGERIAL FINANCIAL DECISIONS AFFECT SALESPEOPLE'S FUTURE PERFORMANCE AND BRAND LOYALTY?

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ABSTRACT

Managerial decisions related to COVID-19 affected the salesforce perception of risk in employment. The purpose of the current study is to investigate the moderating effect of perceived risk in employment on the salesforce performance and brand loyalty. Drawing on social identity and social exchange theories, we evaluate the model in two distinct economies and cultures.

INTRODUCTION AND LITERATURE REVIEW

In the wake of COVID-19 pandemic, companies introduced different measures to cope with the crisis situation. Sales jobs-related decisions varied between terminations of sales team members contracts, suspensions without payments, suspension with partial payments, suspension with full basic salary paid, or working from home with full payment. We expect such managerial decisions to enhance salesforce perception of risk in employment. Drawing on social identity and social exchange theories, this study takes a broader organizational perspective to explore the impact of financial management decisions on salespeople's future performance and brand loyalty.

The present study explicitly compares the results between Kuwait that is characterized by its collectivist nature (IDV=25), and Germany as a western individualist society (IDV=67) (Insights, 2020). Scholars have reported that collectivists who see themselves as interdependent are more in concurrence to organizational support as an identity-related cue (Rockstuhl et al., 2020). On the other hand, individualists are more likely to see themselves as independent and comprehend the employee-organization relationship in terms of exchange. In effect, they show less acceptance to unfavored organizational practicing leading to lower levels of commitment and higher rates of turnover when compared to collectivists (Ramamoorthy et al., 2007, Yang et al., 2012). On top of cultural differences, the economy (macro level) and the structure of sales organization (micro level) affect the employee-organization relationships and sales performance (Hartmann et al., 2020).

Kuwait is a country located in the Arabian Gulf region, with a population of 4,3 million and a large proportion of expatriates (70% of the population). Germany is the biggest economy in Europe with the population of over 83 million, that consist mainly of Germans (80%). Germany's GDP per capita stands at almost 46,500 USD, fifty percent more than Kuwait's 32,000 USD (current prices, World Bank 2019). According to SalaryExplorer, the median monthly salary in Germany (4,973 USD) is higher than in Kuwait (4,384 USD). However, it should be noted that there is no personal income tax in Kuwait, while the average tax rate in Germany is 39.3% (OECD). Thus, median net salary in Kuwait is 45% higher than in Germany. Since the majority of the workforce is expatriate, the components of fixed salary usually include medical insurance, housing and/or local transportation allowance, return air ticket (annually or biannually). According to Times Kuwait, 59% of workforce receives end of service gratuity (TimesKuwait.com, 2020). A comparison on Numbeo highlights that the cost of living in Kuwait is lower than in Germany roughly by a third (e.g., rent by 31.5%, and groceries 34.9%). Coupling lower cost of living with higher net salary makes Kuwait an attractive job market in the comparison. This also makes us expect that salespeople in Germany might be affected more by the perceived risk of unemployment than their counterparts in Kuwait. In the following section we describe the constructs employed in the study and posit hypotheses based on social identity and social exchange theories.

Perceived Organizational Support

POS is defined as employees' beliefs concerning the extent to which their organization cares about their well-being and values their contributions (Caesens et al., 2019). POS positively relates to job performance, organizational citizenship behavior, and employee's affective commitment to the organization (Caesens et al., 2019, Arshadi and Hayavi, 2013). Affective commitment is an important determinant of dedication and loyalty (Rhoades et al., 2001). Also, POS is reported to decrease employees' turnover intentions (Caesens et al., 2019, Löhndorf and Diamantopoulos, 2014).

Perceived Employee-brand Fit

Perceived employee brand-fit is described as the extent to which an employee perceives a fit between the brand values and one's values (Xiong and King, 2019). Generally, people possess a general desire to maintain continuity in their self-concept by

acting genuinely and expressing themselves, across situations and over time. Thus, employees develop stronger emotional bonds with employers when they perceive a fit between themselves and the organization's values (Löhdorf and Diamantopoulos, 2014). Perceived employee brand-fit positively correlates with employee's identification with the organization, job satisfaction, and the intention to stay (Xiong and King, 2019).

Perceived Risk in Employment

Perceived risk in employment is defined as an employee's perception of various risks that affect career development in the organization (Liu and Wang, 2013). Perceived risk involves multiple interrelated dimensions, like functional risk, psychological risk, financial risk, as well as physical and mental health risks (Liu and Wang, 2013, Rundmo, 2011). Risk perception affects employees' behavior (Rundmo, 2011) and is negatively correlated with organizational commitment. Perceived risk is low in stable economic exchange relationships (Liu and Wang, 2013).

Employee Brand Loyalty

According to Pelenk (2020), loyalty of an employee is a feeling of belonging that leads to organizational commitment (i.e., employee's belief in the goals and targets of the organization). Loyal salespeople support managerial decisions and value salesperson-manager relationship as well as their relationship with the organization. Salesperson's loyalty is positively influenced by perceived organizational support (Pelenk, 2020, Kang et al., 2020).

Salesperson's Performance

Salesperson's performance is described as salesperson's overall contribution to the organizational success in achieving its goals (MacKenzie et al., 1993). Salesperson's performance construct includes subjective (e.g., salesperson-manager relationship quality) and objective (e.g., financial achievements) dimensions (DeVecchio, 1998).

THEORETICAL FRAMEWORK AND HYPOTHESES

According to the social identity theory, employees derive part of their self-concept from their cognitive and emotional membership of a social group. While the social exchange theory explains employees' positive behavior toward their organizations as a result of perceived exchange for benefits (Löhdorf and Diamantopoulos, 2014). Employees' evaluation of the exchange relationship quality controls their perceptions of organizational support. Thus, managerial financial decisions that affect this exchange relationship will lead to a level of risk perception in employment that affects employees' POS (as an external source of motivation) which in its turn renders employee's engagement in performance-related activities as well as their loyalty to the brand. In the case of identification, employees' perception of organizational goals, interests, and success as congruent in congruence with oneself becomes an internal source of motivation. If employees perceive a cooperative organizational environment in which they are treated with trust and respect they are more likely to identify themselves with the organization/brand and reciprocate to the organization with superior performance (Xiong and King, 2019, Löhdorf and Diamantopoulos, 2014).

According to Allisona and Flaherty (2020), brand-related financial rewards are specifically tied to a salesperson's identification and engagement, relationship investments with a brand, and sales performance. Relationship investments is described as the frequency with which an organization devotes resources and effort to fulfill employees' needs and develop enduring quality relationships with them (Allisona and Flaherty, 2020). Financial rewards can include all income resources like salary, incentive funds, bonuses, vacations, travel vouchers, and prizes. All managerial decisions that affected employees' financial rewards are considered as sources of perceived risk in the current study. In summary, we posit that the perceived COVID-related risk (H1) negatively affects the relationship between employees' perception of organizational support and their future performance, (H2) negatively affects the relationship between employees' perception of organizational support and their future brand loyalty, (H3) negatively affects the relationship between employees' perception of employee brand-fit and their future performance, and (H4) negatively affects the relationship between employees' perception of employee brand-fit and their future brand loyalty.

METHODOLOGY AND RESULTS

Data for the study was collected using online questionnaire. Measures for each construct are developed based on previous research with a few adjustments to suit the current research context. We applied 7-point Likert scale, they indicated their level of agreement/disagreement with perceived employee-brand fit (Cable and DeRue, 2002), perceived organizational support (Eisenberger et al., 1986), perceived risk in employment due to managerial decision (Agarwal and Teas, 2001), expected future performance (Steward et al., 2010), expected future brand loyalty (Hossain and Chonko, 2018, Newell et al., 2011). Participants were also asked to indicate what kind of managerial decisions were made by their companies in the wake of the Pandemic.

Decisions varied between the termination of the contract, suspension without payments, suspension with partial payments, suspension with full basic salary paid, or working from home with full payment. We collected 254 fully completed questionnaires (120 in Kuwait and 134 in Germany).

In both samples, AVE and composite reliabilities of the constructs are above the acceptance thresholds (Bagozzi and Yi, 1988). We controlled for the potential influence of common method variance (CMV) by applying a two-step procedure. First, the anonymity of respondents was emphasized in the data collection process (Podsakoff et al., 2003). Second, a marker variable technique (Malhorta et al., 2006) was used once the data was collected. Next, heterotrait-monotrait ratio of correlation (HTMT) was verified in order to establish discriminant validity (Hensler et al., 2016). In this study, all HTMT values are below the 0.85 threshold (Kline, 2011). Partial least square structural equation modeling (PLS-SEM) was applied in SmartPLS 3.3.3 (Ringle et al., 2015). A common rule of thumb suggests a sample size of at least 10 times the largest number of independent constructs affecting the dependent variable. In the present study, there were 8 independent constructs (including the control variables), so the sample size of 120 in Kuwait and 134 in Germany satisfies the needed threshold. Additionally, a post hoc power test was performed. The power level of .95 ($f^2=.09$, $\alpha = .05$, $N = 120$) exceeded the recommended threshold of .80 (Cohen, 1988).

In Kuwait, the model explains 32.2% of the variance in Future Performance and 51.8% in Future Loyalty. We used Stone-Geisser's Q2 to assess the predictive relevance of the model. The values for Future Performance ($Q^2=.21$) and Future Loyalty ($Q^2=.36$) ascertain good predictive relevance (Chin, 1998) and acceptable accuracy (Hair et al., 2019). In Germany, the model explains 50.8% of the variance in Future Performance and 74.8% in Future Loyalty while the Q2 values for Future Performance ($Q^2=.30$) and Future Loyalty ($Q^2=.52$) meet the quality criteria. The analysis of the structural model for Kuwait verifies that PBF has a positive impact on the future loyalty to the company ($B=0.32$, $p<0.01$) but not on future performance ($B=0.18$, $p>0.05$). Perceived organizational support positively affects future performance ($B=0.30$, $p<0.01$) but not future loyalty ($B=0.25$, $p>0.05$). The significant path coefficients are over the 0.2 thresholds proposed by Chin (1998) as a minimum limit acceptance level. The model for the German sample ascertains that all structural paths are significant and above the minimum acceptance level. The moderating effect of Risk on the POS->FP path in the Kuwait sample is negative and significant ($B=-0.22$, $p<0.01$). Though the effect $f^2 = 0.08$ is small (Chin, 2010) we conclude that H1 is accepted in the Kuwait sample. However, we do not find the evidence to support hypotheses H2-H3-H4 in Kuwait sample. The moderating effect of Risk on the POS->FP path in German sample is positive ($B=0.52$, $p<0.01$) and moderate ($f^2 = 0.22$) (Chin, 2010). Thus, we conclude that H1 is accepted. We do not find the evidence to support hypotheses H2-H3-H4 in the German sample.

CONCLUSIONS AND IMPLICATIONS

This study offers new insights into the effect of sales management financial decisions to cope with the new situation during the COVID-19 pandemic. The results in both countries show that POS predicts salesperson's future performance, while PBF predicts salesperson's brand loyalty. However, the impact of perceived risk in employment varies between countries. In Kuwait, higher perceived risk reduces the effect of perceived organizational support on future performance. In Germany this effect is reversed i.e., higher risk stimulates higher performance.

Kuwait is characterized by a large number of expatriates. Keeping this fact in mind allows us to conclude that for salespeople in Kuwait the employee-organization relationship is mainly based on terms of exchange. COVID-related managerial financial decisions that affect this exchange (the core of the relationship) will lead to reducing the importance of POS in salespeople performance, while they may remain loyal to the brand if they have high employee-brand fit perceptions. Thus, salespeople in Kuwait may maintain their positions with less level of performance as a result of COVID-related financial decisions. If they earn less, they will work less. Under these conditions, POS is a strong motive to support their sales organizations by performing better. In Germany, however, the motivation in the salesforce related to their future performance due to COVID-19 seems stronger. The possible explanation of the results may be the compensation and cost structure. 35% of all salespeople in Germany receive a variable salary component of about 26% while monthly average fix cost load for housing and insurances is 29,5%. Further, since individualists are highly independent, they may like to work in a self-determined, decentralized way as induced by pandemic-related restrictions (e.g., working from home). That is contrary to the case of Kuwait, where the majority of the sales force are collectivists (Arabs and Asians) who record high rates of power distance and may prefer closer supervision and relationship with their managers. Concluding, the results of our study suggest that sales organizations in Germany may benefit from offering more decentralized work opportunities with regard to provision of infrastructure for salespeople at their homes, while employing outcome controls. For selecting proper salespeople to hire, our findings indicate that people with high self-management skills are the better choice. This, however, should be supported by compensation system that promotes and rewards sales performance under such conditions.

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LEARNING CROSS-SELLING FROM COWORKERS? HOW NETWORKING FACILITATES CROSS-SELLING AND SALESPERSON PERFORMANCE

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ABSTRACT

This manuscript examines how networking facilitates learning to cross-sell and how cross-selling affects individual salesperson performance based on social learning theory and multisource data on 262 salespeople. Results suggest networking enables cross-selling by social learning. Moreover, cross-selling strengthens salespeople's customer retention and sales revenue while harming customer acquisition and profitability.

References Available on Request.

HOW TO SELL YOURSELF IN THE AGE OF SOCIAL NETWORKS? THE YIN AND YANG OF LINKEDIN PROFILES OF SALES MANAGERS

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ABSTRACT

This work in progress focuses on the LinkedIn profiles of sales managers. Sales professionals do not always know how to value their online profile. Professional experience, country, gender are factors that influence the design (Yin facet) or the content (Yang facet) of their profile, or the number of subscribers who follow them.

INTRODUCTION

Both literature and practice show that social media have become a must for executive recruitment (Caers & Castelyns, 2011). This is particularly the case for sales managers. Many of them have a professional profile on online platforms such as LinkedIn or Twitter. They seek to improve their visibility and credibility with several audiences: their clients and partners, on the one hand, and recruiters or potential future employers to further their careers, on the other. But a closer look at the practices of sales managers shows that they don't always know how to use these tools properly. Yet, as sales professionals, one might assume that they know how to use a medium to sell their skills.

The reality is much more nuanced than that, like two sides of the same identity. Indeed, between the design elements, which we attribute to the "Yin" facet (communication, formatting, stylistic subtleties), and the content elements (the "Yang" facet, that of facts, tangible, demonstrable experiences), we see that sales executives are sometimes very clumsy in their self-promotion. The result is a more or less well-mastered personal and professional enhancement. The literature does not deal with this point much. Our survey highlights some of the factors that influence the credibility of LinkedIn profiles.

THEORETICAL FRAMEWORK

Social Media as a Recruitment Tool

The purpose of our study is to better understand how sales professionals use social media to promote their careers, and what their credibility is in the eyes of potential recruiters. Few works in the literature target this point. Yet, sales executives are used to exposing themselves, to prospecting, to convincing, on behalf of their company. Moreover, on their own behalf, for the development of their career, how do they present themselves? Do they master the language and subtleties of social media?

A whole body of management literature shows that social media have created new forms of online intermediation in the labor market (Ofer, 2017). This new era is marked by many ambivalences, which the metaphor of Yin and Yang illustrates well by combining opposites and paradoxes. We highlight several of these here. On the one hand, we observe a mix of passive and active attitudes among professionals using these tools (Caers and Castelyns, 2011). The boundaries remain blurred between the *pull approach* (attracting to one's profile because it is very credible and well formatted) and the *push approach* (actively prospecting for a future employer). On the other hand, the importance of factors related to the *content of the profile* (professional experience, diplomas, specialty, etc.) and factors related to the *design of the profile* (photo, brief description, recommendations, size of the network, etc.) is not well known.

Another ambiguity is that the hiring process is seeing its codes reversed in recent years. The company's approach is becoming more complex (Koch, Gerber & de Klerk, 2018). It seeks to attract the best talent, using online platforms to select those who match its needs (Sinha & Thaly, 2013). From a candidate's perspective, one must increasingly attract to be recruited, and prospect for headhunters, when one wants to advance in their career. Massive social media eliminates the intermediation between candidates and recruiters: they can now meet directly, online and then face to face (McCabe, 2017). This represents additional sources of ambivalence. Moreover, outside the classic process, the company can exploit the relational network of its employees, to develop its reputation and find good profiles in their personal contacts.

We also see the ambiguity of the use of information published online. For example, the fact of being able to recommend someone to one's organization can affect one's own reputation; hence, the cautious attitudes in this regard (Casella & Hanaki, 2008). Yet, recommendation is heavily practiced on LinkedIn profiles, even to the point of questioning their authenticity,

requiring verification efforts from recruiters (Davison, Maraist & Bing, 2011). However, recruiting specialists observe that information on candidates' qualifications is now easier and less expensive to collect (Finneran & Kelly, 2003).

Furthermore, the ethical issues related to the use of information are unclear (Gershon, 2014). Various studies show the influence of personal, even discriminatory factors: age (Lahey, 2008), gender (Riach & Rich, 2002), physical appearance (Rooth, 2009), or portrait appeal (Tews, Stafford, & Zhu, 2009). Variations across countries and individuals may be important, which the literature has not yet explored extensively. Implicit norms in an industry or online media influence the desirable or undesirable traits of a profile, which can create situations of discrimination. All this indicates that the overall recruitment process has finally become more complex.

The Use of Social Media by Sales Managers

Again, there are two sides to social media for sales managers: they can use it to try to sell more and better, on behalf of their company, or to sell themselves to a future employer. This dual attitude also generates ambivalence: when you see a LinkedIn profile, is it designed to attract clients, or to change job? There is more research on the first question than on the second (e.g. Agnihotri, 2020; Ancillai et al., 2019; Guenzi & Nijssen, 2020). Indeed, these tools help build a personal content marketing strategy, before being effective prospecting tools (Bocconcelli et al., 2017). The social capital of an individual can thus increase significantly via these channels (Agnihotri et al., 2020), as shown by the number of people he is connected to, or the number of recommendations he receives. This is not, however, a guarantee of success (Utz, 2015).

This is why the online profiles of sales managers can be analyzed under this double filter: on the one hand, they need more visibility and credibility among their peers, which can increase their reputation in their company and in their market. On the other hand, they need to make new contacts, acquire new leads and new customers. This allows them to use their name and background as a brand, and manage their online profile as such (Khedher, 2014; Stanton & Stanton, 2013). However, the perceived quality of an online profile also depends on factors independent of the individual: the design elements of a medium force him or her to follow a certain format, an implicit standard that everyone accepts. For example, the presence of a good photo, the use of keywords or a punchy description, a well-identified set of skills, or written recommendations from one's contacts, are features noted as important (McCabe, 2017; Heifetz, 2015; Tifferet & Vilnay-Yavetz, 2018).

In light of these many findings of ambivalence our research question is: *How do sales managers use social media to highlight their career paths?* Specifically, we want to study how sales managers use the LinkedIn platform to promote their credibility and reputation. We want to identify the credibility criteria of these profiles, which are related to the design of the platform or the information written in the profile by the individual.

METHODOLOGY

We use a mixed methodology. We have been deploying a netnographic approach (Kozinets, 2002, 2009) on LinkedIn for many months, in groups dedicated to sales management. This immersion allows us to know well the categories of information put forward by the participants of an online community. In a second step, we collected several hundred profiles of sales managers, selected from the largest LinkedIn group dedicated to this profession (*Sales Best Practices*, more than 370,000 members at this date). 100 profiles are reprocessed and analyzed for this paper. The study is conducted with the help of a coding grid of the elements composing the profile: photo, title, personal description, number of relationships, listed experiences, skills recommendation, etc.

RESULTS

The population analyzed in this first study is composed of 100 sales managers, all members of the LinkedIn *Sales Best Practices* community, an English-speaking community dedicated to sales management. 26% are women, 74% are men. 45% are in the US, 6% in the UK, 6% in India, 5% in Canada, and from 1 to 3% in 25 other countries. They have an average of 18 years of experience, and they have been in their last position for 3.5 years. For the 61% who indicated their last year of graduation, 21% have a Master's degree, 39% have a Bachelor's degree, and 39% stopped at high school. Many have degrees in managerial fields, with a wide variety of educational backgrounds. 73% of the sales managers have a regional position, 18% a national position and only 8% an international position, according to their current job. We therefore observe a great diversity of profiles.

We studied 4 variables specific to a LinkedIn profile: the number of subscribers, the presence of a portrait (photo), the number of recommendations on the skills filled in, and the type of skills, as well as the personal description (number of words and

content). For these variables as well, the variety is obvious. They range from 10 to more than 37,000 subscribers, 2200 on average. We divided the photos used into 3 categories: professional quality (41% of the cases), decent personal photo (30%), or poor quality photos (28%). We can see that a large proportion of people do not use a good portrait, even though it is their personal showcase and they know how to sell.

In addition, LinkedIn allows us to mention personal skills, which our contacts can endorse. An average of 15 people endorse the most valued skill, 13.5 for the second and 12 for the third. Nevertheless, the differences are significant, ranging from 0 to 93 endorsements by the network of contacts. Finally, the number of words used in the self-description also shows a variety of situations: 73 words on average (from 0 to 392). The description is sometimes very factual, but sometimes is very emphatic, praising the account owner.

The study shows that the geographical area (Northern America/Europe/Others) is the most influential factor on the largest number of variables (Table 1). For this panel of LinkedIn users, country has a significant impact on the professional experience highlighted ($F 4.174$, $p .044$), on the date of acquisition of the last diploma ($F 9.762$, $p .003$), on skill recommendations (Table 2), and on portrait quality. The current job held is most correlated with skill recommendations. The number of subscribers is influenced by three factors: length of work experience, gender, and date of last degree. Finally, the individual's description of their career is directly influenced by their degree level, work experience, and gender.

DISCUSSION

We can see that the design elements imposed by a platform, in this case LinkedIn, are important to highlight certain aspects of a profile (Caers & Castelyns, 2011; Davison, Maraist & Bing, 2011; DeKay, 2009). The content of the profile, linked to the managers' actual experience, passes through the filter of the aesthetic dimension, the "Yin" aspect. This filter conditions the perception of the profile, and therefore the credibility of the individual. However, these design elements are poorly treated in a large number of profiles. The professional quality of individuals is thus not sufficiently highlighted, which recruiters severely sanction by turning away from this type of candidate (Guillory & Hancock, 2012; Heifetz, 2015). Better sold, a profile that is less strong in terms of experience may be more attractive to potential recruiters.

Length of work experience, country, and gender were found to be significant factors influencing the successful use of these variables in the design and categorization of a sales executive profile. Being experienced and having proven results is not enough to sell yourself. These two facets must balance each other to allow for a positive assessment of the candidate's profile and credibility.

CONCLUSION

This research aims to contribute to a better understanding of the use of social media by business executives. In particular, it shows the influence of the profile's formatting elements, in a pull approach close to content marketing (Yin facet). This complements and improves the perception of the background elements, which highlight the profile's professional background and results (Yang facet).

At the managerial level, recommendations are made to guide sales executives on how to enhance their online profile, showing the importance of a personal branding approach, before thinking about prospecting. Avoiding this step can lead to very disappointing results and a devaluation of the profile and reputation.

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SOCIAL MEDIA IMPACT ON SALES PERFORMANCE THROUGH B2B SALESPeOPLE'S EXTRA-ROLE BEHAVIORS

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INTRODUCTION

Over the past decade, the use of social media has grown in B2B companies, especially among salespeople with 71% of them claiming to be regular users. This growing interest can be explained by the positive impact of social media on business performance (Guenzi & Nijssen, 2020). Social media would make it possible to obtain up to 45% more sales, which represents a real opportunity for sales professionals who work daily to increase their performance. However, achieving these goals requires new business practices. Social media should be integrated into the sales process, for example, to prospect, seek information, or obtain immediate feedback (Andzulis et al., 2012). Beyond these activities inherent to their profession, salespeople demonstrate an additional role for their customers by relying on the functionalities offered by social media. For example, they adapt to customers, demonstrate strong responsiveness, offer value-added services, or communicate information better (Ogilvie et al., 2018).

These behaviors additional to their role are conceptualized under the notion of extra-role. The extra-role consists of voluntary behaviors that benefit performance without being formally evaluated or rewarded by the company (Maxham & Netemeyer, 2003; Podsakoff & MacKenzie, 1994). Although the literature on business technologies has been confined to the extra-role towards customers (Ahearne et al., 2007; Ogilvie et al., 2018), this is also exercised within the organization. Salespeople have the opportunity to demonstrate good citizenship by recommending the best strategies to their organization. Or, demonstrate altruism by helping co-workers with business tasks (Mackenzie et al., 1998; Marshall et al., 2012). In the context of social media, the salesperson is often the first to adopt these tools in the company. Yet, the potential of social media extends beyond business service (Lashgari et al., 2018) and the widespread use of social media appears necessary. Thus, to support their organization, the salesperson undertakes an extra-role of promoting social media within the company. We define social media promotion as a discretionary activity that contributes to the success of the firm by demonstrating civic behavior and altruism in the use of social media. Salespeople who lead social media promotion will participate responsibly in the life of the company, for example by recommending the best practices regarding social media. Besides, they can help their colleagues and be a support in setting up the use of social media for their work.

Another stream of the extra-role literature is brand extra-role which exhibits behaviors to defend and support the brand (Hughes et al., 2019; Hughes & Ahearne, 2010). Social media, particularly suited to the distribution of content and interactions between people, make it possible to convey a brand image on a large scale. Thus, to support the brand image of his company through social media, the salesperson can undertake an extra-role in marketing promotion. We define marketing promotion as a discretionary activity that contributes to the success of the firm through branding behaviors. Salespeople engaged in marketing promotion voluntarily go beyond what is expected of them to actively defend the brand image and communicate positively about their business.

Although the two identified extra-roles (marketing promotion and social media promotion) seem more related to organizational performance, this research focuses on individual benefits and seeks to understand the impact of these behaviors on salesperson performance. Indeed, we assume that the salesperson finds greater interest in using social media if it allows him to improve his performance. Also, company size influences the adoption of a technology (Abdul-Muhmin, 2012), the marketing capacity of the company (Walsh & Lipinski, 2009), as well as the resource potential given to employees. Therefore, our research aims to study the moderating effect of company size on the interaction of extra-role and salesperson performance.

THEORETIC BACKGROUND AND DEVELOPMENT OF HYPOTHESES

The emergence of new technologies has profoundly changed the business function (Moncrief, 2017). A field of literature has developed focusing on the adoption, use, and impact of these technologies on commercial performance (Ahearne et al., 2008; Jelinek et al., 2006; Ogilvie et al., 2018). Sales performance, central to the salesperson, represents the individual measure to which the salesperson meets and exceeds their sales objectives (Behrman & Perreault, 1982; Hunter & Panagopoulos, 2015). To increase business performance, technology is necessary, but not sufficient. It is, in particular, the behavior of the salesperson that plays a mediating role between technology and performance (Ahearne & Rapp, 2010). The literature on the **link between technology-behavior-performance** is particularly interested in tools such as the customer relationship management tool

(CRM) or sales force automation (SFA) (Ahearne & Rapp, 2010; Hunter & Panagopoulos, 2015). We mobilize this theoretical framework for our research by considering the emerging technology of social media with the concept of social selling defined as "A new era in which professional selling relies on the strength of social media within a company" (Agnihotri et al., 2012, p.341).

Drawing on previous theories used in the technological context as well as on the social selling literature (Agnihotri et al., 2012, 2016; Guenzi & Nijssen, 2020; Itani et al., 2017, 2020; Ogilvie et al., 2018), and the extra-role literature (Hughes et al., 2019; Mackenzie et al., 1998; Maxham & Netemeyer, 2003; Van Dyne & LePine, 1998) we develop and test our model (see figure 1). The model examines how the use of social media by salespeople impacts the salesperson's extra-role behaviors (marketing promotion and social media promotion) and ultimately the effect of these behaviors on sales performance. In particular, we are developing knowledge about the extra-role of the salesperson by not limiting our consideration to the extra-role in front of the customer, traditionally studied in the social selling context.

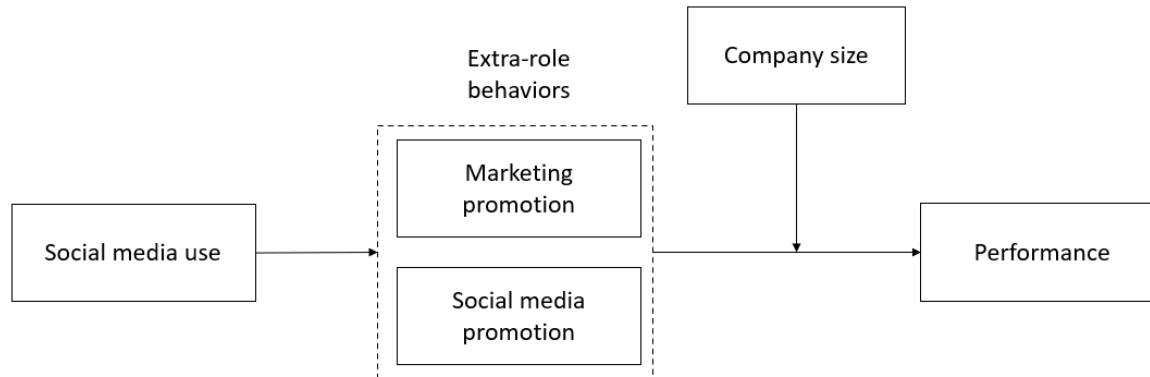


Figure 1: Hypothesized model.

- H1. The use of social media positively influences salespeople's marketing promotion.
- H2. The use of social media positively influences salespeople's social media promotion.
- H3. Marketing promotion plays a mediating role between the use of social media and sales performance.
- H4. Social media promotion plays a mediating role between the use of social media and sales performance.
- H5a. The smaller the size of the company, the stronger the effect of marketing promotion on business performance.
- H5b. The larger the size of the company, the stronger the effect of social media promotion on business performance.

METHODOLOGY

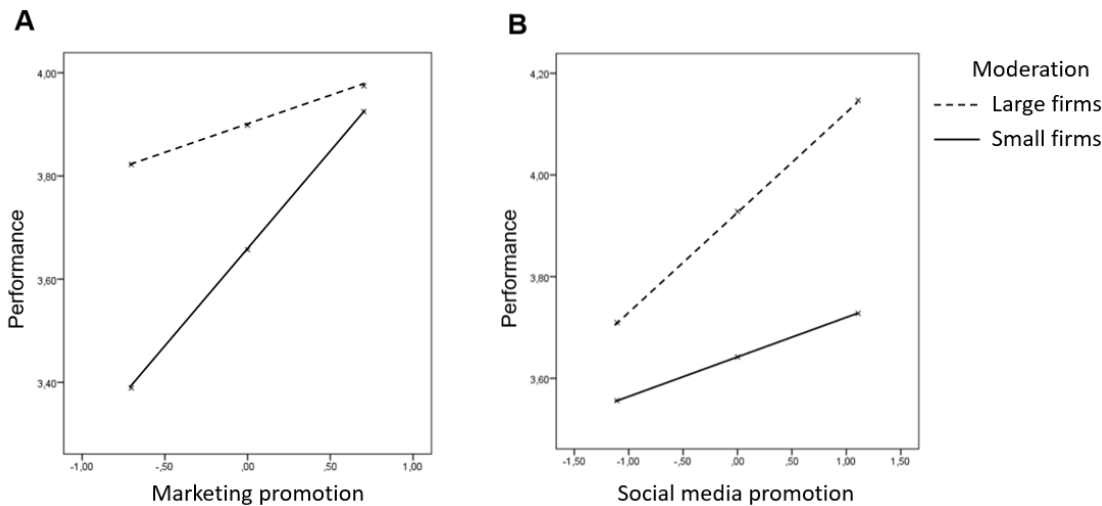
This study was carried out by survey with a sample of BtoB sales professionals in France. The survey was open over a period of three weeks during which 124 people were contacted by email and 478 people were randomly selected and contacted on LinkedIn. 212 respondents completed the survey (i.e., a response rate of 35%). 43 respondents were eliminated due to incomplete answers, B2C salespeople, or non-sales function. The final sample consists of 169 salespeople and managers operating in the BtoB context. The sample is mostly made up of men, which reflects the nature of the BtoB context of our study. The average age is 39 years old with an average sales experience of 12 years. Three-quarters of our representatives are sales representatives and a quarter of respondents have a sales management function (sales manager, sales manager, etc.). Sales professionals operate in a variety of sectors and business sizes ranging from small structures (start-ups) to international groups (+5000 employees).

ANALYSIS AND RESULTS

Our study tests the effects of mediation and moderation through the use of Hayes' PROCESS macro. We use in particular the moderate parallel multiple mediation method (Model 14 - PROCESS) to certify both direct effects, mediating effects, and conditional indirect effects of our model (Hayes, 2018). Using this tool, we test the mediating role of marketing promotion (M1-mediator1) and social media promotion (M2-mediator2) between the use of social media (X) and sales performance (Y). We consider the conditional indirect effect of firm size (V-moderator) on the interaction between mediators and business performance. Simultaneous analysis of the different effects is recommended to produce reliable and robust results (Hayes, 2018; Preacher et al., 2007).

Relationships		Standardized coefficient	SE	t-value	Findings
-	SMuse -> Performance	0,05	0,08	0,64	-
H1	SMuse-> Marketing promotion	0,22**	0,06	3,71	Supported
H2	SMuse -> Social media promotion	0,79**	0,07	10,82	Supported
H3	Marketing promotion -> Performance	0,20**	0,08	2,50	Supported
H4	Social media promotion -> Performance	0,01	0,06	0,24	-
H5a	Marketing promotion x Size -> Performance	-0,17 *	0,08	-2,13	Supported
H5b	Social media promotion x Size -> Performance	0,13 *	0,05	2,35	Supported
Control variables		Overall model fit statistics			
Gender	-0,13	Chi-deux	10,69		
Age	-0,01	CFI	0,97		
Experience	0,02 *	TLI	0,94		
Tenure	-0,01	SRMR	0,05		
		RMSEA	0,05		

Sample N = 169. SMuse = Social media use. Significance level: $p < 0.05$ *; $p < 0.01$ **



DISCUSSION

We provide a model of how the use of social media facilitates marketing promotion as well as social media promotion and both have an impact on sales performance. Our results, based on an empirical study, help improve theoretical knowledge on social selling and make it possible to formulate managerial recommendations.

A notable contribution of our study is the consideration of the size of the company on the extra-role decision to be adopted by the salesperson. We show in particular that the extra-role of promotion in large companies allows improved sales performance. Large companies indeed have a greater potential of resources to implement a social selling strategy if it is requested by salespeople. Also, as the number of employees is higher, the potential to promote social media to a large number of people is greater. In small companies, the influence of the salesperson is not significant on performance. Small businesses may be less able to empower salespeople to implement social selling. To develop social media within small structures, it would therefore be advisable to rely on a top-down strategy. Salespeople could potentially improve their performance if the company decides on its own to implement measures that make it easier for the salesperson. On the contrary, sales promotion marketing is not necessary for large companies to improve performance. Large companies benefit from a marketing department that works to promote the visibility and development of the brand's image. They have the tools and resources to make social media easier to

use, including sharing content for salespeople. Thus, performance is only slightly improved by marketing promotion. For small businesses, sales promotion marketing allows a clear improvement in their performance (see figure 2). The salesperson, therefore, has a marketing role to play in businesses which is even essential for small businesses.

To develop salespeople's marketing promotion, an organization should provide social media content or train sales reps to create simple content on social media (for example, posting a photo or testimonial of a customer who is satisfied with the brand). In particular, this would have a favorable impact on small businesses for which the marketing strategy could be based on the salesperson. The extra-role of the salesperson contributes to the general performance of the company through better sales performance. However, salespeople aren't always comfortable with change, and they might see marketing as just another stain on an already busy schedule. To avoid resistance, the company needs to make the salesperson understand that these behaviors will have a direct impact on its own performance.

Social media promotion is particularly relevant in large companies. We recommend that managers of large companies listen to such behaviors so that they can support and encourage salespeople to conduct social selling practices to improve their performance. Organizations could encourage salespeople's social media promotion by officially appointing a sales representative responsible for the development of social media. The argument of better sales performance for him could also motivate him to lead this extra-role.

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EXPLORING THE THEORY EVOLUTION ON MARKETING & SALES RELATIONSHIP: PAST, PRESENT AND THE WAY FORWARD

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INTRODUCTION

Although the relationship between Marketing and Sales is broadly considered as of crucial importance for a company's performance, as it has been linked both to revenue generation (Malshe et al., 2017) and to the creation of a superior customer value (Beverland et al., 2006), relevant research is far from reaching consensus upon the necessary mechanisms that will shape the optimal inter-functional relationship (Le Meunier-Fitzhugh & Massey, 2019). Issues such as balanced inter-departmental power (Anderson & Weitz, 1989; Homburg & Jensen, 2007), congruency (Rouziès et al., 2005) and trust (Tamara & Biemans, 2017) have been addressed, while at the same time the role of environmental parameters in the Marketing and Sales interface has also been introduced in the ongoing academic dialogue. Aspects related to market and technological turbulence (Menon et al., 1997) as well as competitive intensity (Rouziès et al., 2005) have been linked to the impacts of Marketing and Sales relationship on corporate performance. The present study aims to systematically review and organize the extant material along a time-line of past, present and future, in order to (a) identify the key propositions and findings that emerge from the literature review on Marketing and Sales relationship and (b) propose avenues for future investigation as well as key managerial implications.

THEORETICAL FRAMEWORK

The first conceptual (Carpenter, 1992; Vieira, 1992) and empirical (Cespedes, 1993) papers on Marketing and Sales relationship appeared in the early 90s; however, calls for attention on this intra-functional interaction had started approximately a decade earlier (Rosenbloom & Anderson, 1984; Evans & Schlacter, 1985). From the very beginning it was clear that the relative influence of Marketing and Sales interface varied a lot across firms (Piercy, 1986; Starr & Bloom, 1994), while the lack of effective coordination mechanisms between the two was also identified (Cespedes, 1993). Although both Marketing and Sales perform customer-facing activities, their different perspectives and orientations (Cespedes, 1995; Homburg & Jensen, 2007; Workman, 1993) result into lack of alignment between the two functions (Malshe et al. 2017) that jeopardizes the firm's chances for optimal performance (Dewsnap & Jobber, 2000; Maltz & Kohli, 2000; Rouziès et al., 2005). Throughout the years, academics have attempted to delineate and explore Marketing and Sales relationship mainly under the prisms of organizational theory (Anderson & Weitz, 1989; Bucklin & Sengupta, 1993) that explores issues of power and conflict in relation to firm performance (Anderson & Weitz, 1989; Bucklin & Sengupta, 1993; Kotler et al., 2006). More specifically, organizational theory addresses aspects of collaboration (Kahn & Mentzer, 1998), effective interaction (Guenzi & Troilo, 2007), harmony (Song et al., 2000), quality of cooperation (Homburg & Jensen, 2007), coordination (Narver & Slater, 1990), justice (Hulland et al., 2012), credibility (Malshe, 2010), integration (Rouziès et al., 2005) and conflict (Massey & Dawes, 2007a).

METHODOLOGY & RESULTS

Literature review presented and discussed hereby is based on a thorough secondary research among all journal papers and proceedings that focus on delineating the relationship between Marketing and Sales. Search was conducted using online databases, indices of key marketing and management journals, and citation lists of empirical studies. Both conceptual and empirical studies were included in the sample, while the only criterion used for exclusion of works from our study was the publication language (non-English language papers were excluded from our review). We avoid claiming exhaustiveness but the material that we include here clearly reflects the extant knowledge on Marketing and Sales Relationship and permits the proposition of future research directions of interest to marketing, as well as to neighbouring disciplines. In total, 56 papers were identified for the time period ranging from 1993 to 2019, including both conceptual (13 papers) and empirical research (43 papers). It is interesting to note that most empirical papers have been published after 2005, while countries and industries explored do not seem to follow a specific focus and/or pattern.

Starting from the conceptual papers that actually set the ground for the empirical works that followed, they mainly highlighted the problematic areas of the Marketing and Sales relationship that jeopardize company performance and that were later on empirically explored. The key parameters identified concern problematic coordination (Borders, 2006; Carpenter, 1992; Kotler

et al., 2006), different mind-sets (Donath, 2004; Levy, 2011; Lorge, 1999; Vieira, 1992), problematic integration (Kotler et al., 2006; Rouziès et al., 2005), problematic collaboration, disharmony and goal conflict (Dewsnap & Jobber, 2000, 2002; Shapiro, 2002).

The empirical studies, both qualitative and quantitative attempted to shed more light in the aspects of the Marketing and Sales relationship that would allow for a better management of this relationship. Qualitative studies focused mainly on integration and interface (Biemans & Brenčič, 2007; Guenzi & Troilo, 2006; Johnson & Matthes, 2018; Malshe et al., 2017; Biemans et al., 2010), alignment and coordination (Cespedes, 1993; Malshe & Sohi, 2009; Matthyssens & Johnston, 2006; Oliva, 2006; Malshe et al., 2017), collaboration (Dewsnap & Jobber, 2009; Le Meunier-FitzHugh & Piercy, 2007a; Johnson et al., 2019; Malshe & Al-Khatib, 2017), conflict and credibility (Beverland et al., 2006; Malshe, 2010). Quantitative studies addressed issues of inconsistency (Homburg & Jensen, 2007; Strahle et al., 1996; Sleep et al., 2018), authority, power and influence (Ashill et al., 2003; Gotz et al., 2009; Homburg et al., 1999; Krohmer et al., 2002; Lionakis et al., 2013; Troilo et al., 2009; Keszey & Biemans, 2016), conflict, trust and relationship effectiveness (Dawes & Massey, 2005, 2006; Hulland et al., 2012; Guenzi & Troilo, 2007; Lionakis et al., 2013; Massey & Dawes, 2007a, 2007b; Rouziès & Hulland, 2014; Keszey & Biemans, 2017) as well as coordination, collaboration and quality of cooperation (Homburg et al., 2008; Krafft et al., 2005; Le Meunier-FitzHugh & Lane, 2009; Le Meunier-FitzHugh & Piercy, 2007b, 2008; Troilo et al., 2009; Le Meunier-FitzHugh & Massey, 2019; Peterson et al., 2015).

DISCUSSION (PRACTICAL AND MANAGERIAL IMPLICATIONS FOR COMPANIES)

Drawing from the above literature review, the present study explores the conceptual and empirical research continuum regarding the relationship between Marketing and Sales. As the respective research field was stimulated to explore the problematic areas of this relationship, years that followed attempted not only to identify potential causes of dysfunctional parameters but also to propose ways of managing them in order to achieve the optimal level of company performance. More specifically, Marketing and Sales interface and integration are multi-faceted constructs that derive from and build on the different perspectives and perceptions of the two functions (Biemans & Brenčič, 2007). Although most of the times Marketing and Sales are not well-aligned and demonstrate poor coordination, academics underline that in order for a firm to produce stronger business results, both strategic and operational alignment between the two functions need to be achieved, while various organizational approaches and processes have been proposed towards this direction, emphasizing mainly the reduction of the boundaries between Marketing and Sales (Cespedes, 1993; Malshe & Sohi, 2009; Matthyssens & Johnston, 2006; Oliva, 2006; Malshe et al., 2017).

Collaboration between Marketing and Sales has been linked to business performance and senior management seems to hold a pivotal role regarding not only the form of collaboration but also its development (Dewsnap & Jobber, 2009; Le Meunier-FitzHugh & Piercy, 2007a). In fact, when managers of both functions evaluate cross-functional integration as far below desired level, business performance seems to be negatively affected (Sleep et al., 2018). In general, effectiveness of Marketing and Sales relationship is usually associated with trust, justice and social capital parameters (Massey & Dawes, 2007a, 2007b; Rouziès & Hulland, 2014; Keszey & Biemans, 2017). Within this framework, issues of authority, power and influence between Marketing and Sales have been explored by many academics (e.g. Homburg et al., 1999; Krohmer et al., 2002; Lionakis et al., 2013), while recent studies encourage traditional boundaries' encroachment (Keszey & Biemans, 2016). So far, no relationship has been identified between structure or location of Marketing and Sales and their collaboration, while strong structural linkages and high market knowledge seem to matter for a successful configuration (Homburg et al., 2008; Krafft et al., 2005). Lastly, conflict and credibility issues between the two functions that need to be overcome seem to build on different beliefs about performed activities' scope/focus and perceive status, while tools proposed for harmonization include trust and interpersonal proximity (Beverland et al., 2006; Malshe, 2010).

References Available on Request

SALES HAS CHANGED: MASTERING ATTENTION AND EMPATHY IN A VIRTUAL WORLD

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INTRODUCTION

When using an online platform to deliver a message, both the presenter and the audience tend to have a more challenging time connecting. If one is trying to pursue a new account, can one still maintain their attention? Such digital delivery makes it also harder to create rapport, establish a connection, and show empathy.

A salesperson can attend to two key aspects to fix the potential lack of connection in virtual worlds: Screen presence and empathy.

Screen Presence

To develop a compelling screen presence:

1. *Do not be speaker centered*

To achieve this, the first thing to address is your mindset. Think about the audience, your prospect, not about whether we are nervous or scared of maybe forgetting our train of thought. These thoughts make us self-centered as we think about ourselves rather than what is best for the audience or how the audience is reacting.

When we put our nerves aside and think about what matters for an audience, we can become influential. It is recommended one starts with a hook, a “grabber,” or a headline, something that pulls their attention into you. Do not do this: “Hello, today I will talk to you about my product” or “Hello. I am here to talk to you about my company.” Audiences do not care for that; they care about solving challenges or achieving goals. Communicate to solve challenges or to empower to help achieve goals. A better opening would be: “I know you care about efficiency and what gets in the way of that. I am here to present a solution to you that will help you with just that.”

2. *Use visuals*

People have a hard time maintaining their attention for long periods. Visuals break this monotony while reemphasizing your point, not competing against it. Attention is even more complicated when in digital platforms as everyone is on their phones, looking at emails, even looking at several screens. Visuals then become key as they cause people to look up. Visuals also matter because, as a presenter, you want movement. In addition, audiences need a visual change about every three seconds. Thus, people need to have more visuals more than we ever used before.

3. *Maintain an executive presence, regardless of the medium*

Erroneously, many think that an executive presence is limited to how one dresses. According to DiResta (2021), executive presence is about character, style, and substance. These are communicated through your demeanor, how one shows up, how you approach things as simple as taking a seat at the table, the actual presentation, knowing how to communicate credibly depending on what culture you are in, the whole package of you. Do not be casual or lax.

Executive presence aligns the visual, the vocal, and the verbal qualities to deliver a positive impact. Aim to be consistent, harmonious, and confident.

4. *Look at the camera when talking, not at the screen*

There is a reason why TV anchors look at the camera: it gives the impression to the audience you are talking to them, it connects people. Avoid looking at the attendees on your screen as it becomes impersonal, and it can give the impression that you are looking at something else rather than talking to them. Looking at the camera is looking into the eyes of your audience and remaining present.

5. *Use an appropriate background and check your surroundings*

An appropriate background conveys a professional presence and sustains your brand. Whether your background promotes your company, i.e., a marketing background, or is an office setting, the background should emulate where the meeting or presentation would take place. For example, people should not see your bedroom or your kitchen. The background is here to support the message you will be giving without distracting or interrupting.

Lightening and seating are part of your surroundings as well. One needs additional lighting when presenting in digital mediums so, whether you sit in front of a window or place a lamp in front of you, make sure your entire face is illuminated. In addition, sit close to the screen where you can comfortably touch it with your arms. Make sure your face and upper torso occupy at least half of the screen. Seating further away makes it harder for people to connect with you as they will not be able to read your facial expressions, and it will not allow you to use the control panels on the screen.

A few extra tips to command attention in a virtual world:

- Ask attendees to shut off notifications during the meeting or speaking engagement,
- Vary your intonation and use pauses. When we speak louder and softer in varying parts and pause, it stimulates attention in your audience,
- Use short sentences to keep it simple and to the point. Extra talk in screen time is not well received nor tolerated,
- Call on participants as needed. Do not let them know when it is their turn next,
- Use storytelling but use it quickly and get to the point. You can also start with a story and not conclude it until the end of the meeting or talk.

The Use of Empathy

Showing that we care about other's emotions and their situations is a way to show care for the person and relationship. In sales, this means caring for your customer and their situation beyond a transactional spectrum. If a salesperson cares about establishing long-lasting relationships, empathy and sympathy are then skills that need to be developed and nurtured. When showing we are empathetic in business, our prospects and customers tend to be more open-minded about our ideas, remain attentive, and listen to our recommendations.

It is essential to distinguish between empathy and sympathy; both are used to show we care when people express going through difficult times. These terms help us as they describe what we feel about the other person's emotions. *Empathy* means imagining what the other person is feeling about because one has lived such an experience or put ourselves in that person's shoes. Thus, you genuinely understand their pain. Empathy calls for identifying what the other person is feeling and identifying what feeling it is. It can be expressed as follows: *"I know how you feel. I have also been laid off before,"* or *"I get what you are saying. Being in this situation is difficult. I have been there before."*

There is also sympathy. *Sympathy* means recognizing the other person's challenging times and emotions, struggles and offering comfort and support. Sympathy does not call for you to have lived that situation or also feel in that same way. Instead, one acknowledges that state, support and gives comfort.

A person can receive sympathy and empathy at the same time. For example, if a person loses a parent, he or she can receive sympathy (in the form of love and compassion) from family and friends. Yet, only those who have also lost a parent can give empathy. They will truly share and understand the pain of losing a parent.

Another example is when a doctor comforts a sick patient; the doctor is sympathetic. If the doctor has also had such illness then, he will be feeling empathy.

So how can we support our prospects and clients appropriately when they are expressing difficult times? The following points would aid you regardless of whether you interact or not in a virtual world:

1. Listen and look

Listen to the person, or client, as he or she narrates what is happening. Do not look elsewhere, and if you are taking notes, pause once in a while and look at your client. Listening and looking up will allow you to connect in such a difficult moment.

2. If you cannot put yourself in their shoes, use “I can only imagine.”

While we can always identify and acknowledge a person is going through hard times and have many feelings about a situation, that does not mean we can automatically put ourselves in their shoes and feel what they feel. When we cannot feel what they feel, state: “I can only imagine.” For example: *“I can only imagine what you must be going through with so much pressure”* or *“That seems difficult. I can only imagine what your workdays are like.”* Using this sentence, we acknowledge the feelings and express sympathy truthfully while creating a connection.

3. If you do see yourself in their shoes, or have lived the same experience, say so

If you have lived what the person has lived, if you genuinely can put yourself in their shoes and would react in that way, then say so. Sentences such as *“I know what you are going through. I get it”* or *“yes, it is hard and stresses one out. I would also be feeling worried.”* When one expresses empathy, it creates connections, as the person feels heard and trust between you and the other party.

4. Use “I” and “we” instead of “you.”

When we talk using you, such as *“you should not feel stressed about this,”* or *“you should do something,”* it sounds judgmental to the other person and makes him or her become defensive. Instead, use “I” or “we” statements to drive the conversation. Examples are: *“I can see this bothers you and that something needs to be done,”* *“I hear you. I would love to help you so we can achieve a solution,”* or *“we can figure this out.”*

5. Do not give your opinion too soon

When we hear someone complaining or being stressed about a certain situation, it is very tempting to jump on the “I know best” wagon by giving our opinion and jumping into offering a solution to your product or service in sales. This cuts empathy short; it then becomes about you and can leave your prospect feeling you are pushing for the sale.

Before attempting to be helpful by giving your opinion and advice, understand first the other person’s view. Then, ask questions to gain perspective such as:

- Can you tell me more?
- Where are these feelings coming from?
- How does this make you feel?
- Can you tell me more?
- What do you make of it?
- What would be helpful?

Taking the time to practice empathetic selling will help your prospects feel accepted and validated and ultimately develop a trusting relationship with you.

References available on request.

ONGOING VIRTUAL E-LEARNING: A METHOD TO SUPPORT CONTINUOUS LEARNING

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ABSTRACT

In the spring of 2021, an ongoing virtual e-learning method was piloted in response to the growing need to support continuous learning and enable full-time students to complete coursework flexibly. In this learning format, students can enroll in a class at any time and complete it at their own pace, virtually leveraging an online learning platform. The format allows students in various life situations to flexibly arrange a time to study and ensures that for full-time students, an individual compulsory course offered at specific times during the year does not end up holding up graduation. The pilot was a success; the critical success factors were a careful design of the online learning environment and the learning tasks, clear materials and guidelines, and pacing of the course work.

CONTEXT

One of the hot topics within the education sphere is continuous learning. Various educational institutions are looking for and implementing ways to respond to the educational needs arising from constant changes in the markets and the workplace that emphasize lifelong learning. The focus is now on searching for solutions to combine work and study that flexibly supports upskilling and reskilling, ideally without career interruptions.

At the same time, more and more full-time students work while studying and require study approaches that accommodate their active lifestyle and work in parallel with their studies. Furthermore, as the population of many Western countries is aging, there is a further push to educate younger generations faster to bring into the workforce promptly – this requires further agility from the educational institutions to ensure that that one, last missing compulsory course does not end up being the reason why a student cannot graduate in time.

Furthermore, COVID has fast-tracked the development of solutions for virtual learning. As a response to the increased need for flexible, virtual learning paths stemming from the continues changes in the workplace and need provide every opportunity for full-time students to get their studies done on time, as well as the current pandemic, Haaga-Helia University of Applied Sciences (Haaga-Helia) has introduced – and has been piloting this year - courses that are offered continuously. The virtual learning environment has been fully designed to support individual, self-directed learning. Students can enroll in them at any time and proceed with the learning flexibly at their own pace.

PREREQUISITES

The courses selected for the ongoing virtual learning pilot were chosen from a list of courses that will be compulsory to any Haaga-Helia student in the future as part of the joint basic studies Haaga-Helia is implementing through the University. Haaga-Helia is in the process of transforming its curriculum in a way in which all full-time students will have joint basic studies only after which they choose their major. These courses lay the foundation of business skills and act as an introduction to further academic studies. Furthermore, for students on the continuous learning path, the courses allow them to update their skills and test whether they would open up a path to enroll as full-time students.

In the ongoing virtual learning pilot, students had the opportunity to enroll in a course over three months. They had the chance to proceed with the courses at their own pace, with a final deadline for the pilot and thereby for the coursework and the end of the semester. The format of the learning sets some limits to what type of courses are suitable for it:

- **Online learning.** The online learning platform used within this format needs to be well suited for full support for virtual learning. The courses need to be such that the subject matter can be taught online without any face-to-face interaction. We found that the introductory courses are well suited for this, including the theoretical foundation for further studies. The theory can be quickly learned by studying books and online materials.
- **Ongoing learning.** The coursework needs to be designed so that any student can take it up at any time and proceed with the learning at their own pace; the course itself cannot be built around joint, simultaneous exercises. This means

that any lectures need to be provided in a PPT format or recorded and accessible at any time. The coursework needs to be designed to be completed within this flexible ongoing format.

- **Group vs. individual learning.** Preferably all coursework can be completed individually. However, we also tested the opportunity for students to form small study groups for the coursework, which did work surprisingly well. Having the option, though, to opt to complete the work individually was hugely appreciated by the students.
- **Resourcing.** The use of resources needs to be taken into consideration. Much of the work for the course is done in advance as all the materials need to be there the first day the course is available to students. During the learning experience, as the students study at their own pace, they are bound to be focused on different parts of the course at any given time. This requires flexibility from the teachers as they might provide further guidance or assess and provide feedback on the same day to a student at the beginning of the course and a student who has already completed all of the coursework. Also, when offering the opportunity to complete coursework individually from the teacher, this requires more time to be allocated for assessment and grading. Ideally, the course requires minimum teacher intervention, and teacher's time can be allocated more towards providing students feedback and ad hoc assistance as needed and completing assessments. This needs to be kept in mind when designing the learning path – the materials and instructions need to be designed self-explanatory and do not require further live interaction with a teacher. If the course can be designed so that teachers can spend the bulk of their time providing feedback and assessing coursework, more complex learning tasks can be included, which support deeper learning.

THE BASICS OF SALES AND MARKETING VIA ONGOING VIRTUAL LEARNING

One of the courses piloted in the ongoing virtual learning mode was the Basics of Sales and Marketing. The course aims to provide students with a basic understanding of sales and marketing, what is included in sales and marketing, and what factors succeed in sales and marketing. The course included four pieces of coursework that were graded: two multiple-choice tests, a sales and marketing report, and a recorded sales roleplay exercise. The sales and marketing report brought together theory which the students then examined further via a case company of their choice. It also laid the foundation for the sales roleplay exercise, preparing the students for it and bringing together the necessary elements and information to execute the exercise.

The setup on the online learning platform was divided into four sections. There was always some part of the coursework that needed to be completed and turned in to move from one section to another. This helped the students to pace their studies. The four sections and their content in high level included the following

1. Course Plan
 - This section provided students with the learning objectives for the course as well as the execution plan.
 - It included the information on how the course was set up, what type of exercises it included and how it was graded, recommendations for reading.
 - The section also provided information on the learning mode – what to expect from the ongoing, virtual learning, what it requires from the student.
 - To move forward students, needed to sign off on their understanding of the learning implementation plan.
2. Module One: Introduction to Sales and Marketing
 - In this section, an introduction to the subject matter of the course was provided. In addition, more detailed instructions for the coursework were also provided.
 - The module included two subsections. To move forward from the first one, students needed to introduce themselves on a joint discussion forum, which also allowed for the formation of study groups for the coursework. To move forward from the second section, there was a short multiple-answer quiz that tested the understanding of the subject matters discussed in this module and counted towards the overall grade of the course.
3. Module Two: Marketing
 - This section took the student further into the world of marketing.
 - There was the second multiple-choice test that counted towards the overall grade of the course. In addition, the students had the option here to turn in their draft of the report they were building for comments.
4. Module Three: Sales

- This section focused on sales. It was divided into two subsections. To move from the first subsection to the second, students were required to participate in a joint discussion board commenting on recorded interviews of sales professionals providing insights into various sales roles. At the end of the second subsection, students recorded a sales roleplay and the final version of their report for grading.

KEY FINDINGS

The Basics of Sales and Marketing course piloted this year used as an example here got very high reviews from students. The critical success factors identified were the following:

Accessibility of the materials. The success of the course was first of all due to efficient and careful design. A lot of time and effort was spent honing in on the flow of the coursework and the content throughout the learning experience. All the core materials were available in written format as well as in recordings. The instructions for the coursework were also given in written format as well as via a recording. In the early days of the pilot, based on student feedback, some details were added to the coursework instructions to provide further clarity and answer most often asked questions by the students. After this, there was very little additional support that students required to complete the course.

Support. Weekly Q&A sessions offered to the students in addition to a Q&A board online provided the needed support to those students that required further assistance. Although there was not much need for this due to careful virtual learning design, having the option, there was much appreciated by the students.

Ongoing feedback. The phasing of the learning and turning in coursework as moving forward with the course proved to be a clear advantage – this provided ongoing feedback for the students and their ability to phase their learning independently.

Connections to the industry. The interviews of sales and marketing professionals provided a much-needed link to the work-life and views on the subject matter from different angles from professionals working in the field. This, combined with the theory, enabled the students to get a deeper level of understanding of the matters studied through the course.

Teaching as a team. We had two teachers in charge of the course. This enabled me to balance the workload that was bound to be busier at times. During the bulk of the pilot, one teacher took charge at any given week, and coming towards the end of the pilot, when the bulk of the coursework was turned in, the teachers could share the workload.

The areas that require further development are the following:

Enrollment. The course had a cap of 100 students that could enroll. This was quite quickly met, and there was a need to find a way to trim the list of enrolled students that were not active. This was done by reaching out to students inactive on the online learning platform, confirming whether they intended to proceed with the studies. However, this was not a very efficient method and took unnecessary time from the teachers. For the future, we recommend an approach where after initial prior warning, students automatically lose their spot if they are inactive for an agreed amount of time on the online learning platform. This will ensure that there is space to enroll students who want to complete the course and that students who, for whatever reason, decide not to complete the course will give up their spot.

The pace of the studies. As mentioned earlier, many of the students, in the end, turned in the bulk of their coursework at the very final deadline for the pilot. Therefore, we would recommend testing an approach in the future where students can enroll at any time but are given a specific amount of time to complete the work. This would also help manage inactive students who take a spot from the course but might not complete the course.

CONCLUSIONS

To summarize, the pilot was a success, and Haaga-Helia University of Applied Sciences plans to continue it in the fall of 2021 and develop it further. To succeed, the online learning experience needs to be designed carefully to provide ongoing access and support ongoing learning, considering the time required by a teacher to lead and manage it. For the students, this format offers many benefits in the form of flexibility to complete studies.

TEACHING “COLD ACQUISITION” TO SALES STUDENTS: EXPERIENCE FROM A TEACHING EXPERIMENT

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ABSTRACT

Teaching sales is partly teaching knowledge and partly skills. Being able to perform the task of cold acquisition successfully makes part of the skills of a salesperson. It is commonly believed that cold acquisition is a core skill of the sales staff, although many people are unaware of the complexity and hurdles. A real-world selling exercise was performed and accompanied by a survey to understand how to execute cold calls. Expectations and fears before calling and experiences and personal estimations after calling were measured.

BACKGROUND OF TEACHING COLD ACQUISITION

Salespeople are confronted with acquiring new customers, either due to a growth policy or the need to replace lost customers. Most people outside sales, including top management staff, expect the sales force to perform well in this discipline. Still, the cold acquisition is complex due to the following reasons:

- Not easy to contact the correct and responsible person in the company of the potential customer
- Potential customers feel bothered by unwanted calls
- There are legal restrictions on cold calling in some countries
- Frequent rejections can easily demotivate the salesperson
- It is difficult to react to unforeseen questions of the customer

The following points need to be respected by the calling salesperson:

- A deep understanding of the sold product must be available
- The advantages of the product need to be summarized in one sentence
- The customers purchasing processes have to be understood
- friendly and professional voice
- Preformulated answers as fall-back solution in difficult discussion situations
- Define the correct time frame for the call

Due to the high rejection probability, it is essential to catch the customer's attention from the very first moment, giving him an advantage. This means that the initial sentences need to be carefully prepared. In many cases, young salespeople are lost in designing the initial sentences, as they do not have any experience in business talks. Teaching cold calling has the advantage that the students understand the complexity of cold acquisition and how the obstacles can be surrounded. It is expected that after doing a sufficient number of calls, the students become more self-confident and will be surer of themselves. If this target is achieved, the students will be better prepared for any situation where cold calls are required in later business. It is not expected that the students master any cold call after one or a few exercised – but they should know the path to follow.

The supervisors had two experiences from the past: the first experience was quite positive. In 2013 two students were hired to sell a sales conference taking place at the university. They reported that the first contacts were difficult to make, but soon the success rate went up, and they were happy to do the job. In the end, they had a success rate of 20%. The second experience was a negative example. Again, students had to contact potential customers of an honest company and determine if they knew something about the products and if they were interested in having more information. This time the students were not prepared and were left on their own. The result was poor; from 12 groups, only one had found a way for a successful talk to the potential customers and stirred interest. Reasons for failure were a too easy way out of the exercise by simply stating that there has been no interest.

A three-step approach was chosen:

1. Planning of the cold call exercise, setting up the description of the tasks, and control of results
2. Detailed briefing of the students with explaining the problems of cold calls, giving one example call
3. Execution phase where students do the cold calling

It was decided to accompany the exercise by a pre- and post-survey of 10 questions each to determine if the students had previous experience, how they felt mentally, how strong their motivation was, and their experience and overall rating.

PLANNING THE EXERCISE

The task was to promote an industry sales conference. Previous experience has shown that promoting sales conferences in Germany is quite an easy job, as the need for sales conferences is high, but there are (too) few conferences offered. Therefore, 22 bachelor students participated in the exercise, among them three female students. A geographical area was assigned to each student by using the German postcode system. The task was to contact 25 companies freely chosen in the area and contact the sales manager or the CEO to propose him or her to join a specific sales conference coming up. As the areas were extensive, containing many companies, there was no lack of target companies. The exercise date was fixed, and feedback was expected in the form of the primary company data of the contacts plus a summary of the communication.

Before and after the exercise, the students were asked to fill a questionnaire, where the emotional situation, experience, and expectations of results and problems were asked. A scale of 1-10 was used, one being poor, ten excellent. After the telephone work and after sending the results, another questionnaire had to be filled, asking about the experience and the personal situation and learned lessons.

Briefing

The students were briefed in detail; the briefing took about 2 hours. First of all, the need to make cold acquisitions was discussed to understand the exercise. The subject of the conference was explained, and a step-by-step cold call was simulated and discussed. Supporting material was given, so students should be well informed in case of any questions. Between briefing and the execution was a couple of weeks left, so students could dig deeper to improve their knowledge about the conference and consider how to tackle the task best.

One item was not respected for this time: the clear communication on how this exercise would be ranked for each student was not explicitly communicated enough. "Success" was defined as numbers of registrations, but it became clear that there were more facets of success during the exercise, like the number of collected email addresses and the number of not dead-end calls. Having several successful steps on the way to the registration would have supported the students' motivation further.

Questionnaire Before the Exercise

A questionnaire was distributed to be filled in before the exercise, catching the emotional situation, the motivation, and the expected problems. The main quantitative results were:

- 42% of the students had done cold calls before
- The expected problems during cold calls were relatively low for students with experience (3,3 from 10) compared to 5,1 from 10 for the inexperienced. The average was 4,1 from 10.
- One question covered the reluctance to make a cold call. Astonishingly students with experience only ranked this as 2,0 from 10, the inexperienced ones as 3,2 from 10. Both figures are pretty low the sales students had chosen their program carefully and felt like young communicators
- Willingness to succeed: both groups showed a similar willingness to succeed with an average of 8,5 from 10, which was unexpectedly high. The students were eager to prove themselves after 2,5 years of study and wanted to turn the exercise into success

Qualitative Feedback of the Survey

The expected problems were asked, and 12 from 22 expected it would become problematic to contact the right person, which was confirmed later on. The second strong problem was encountering refusal during the call – this is something for a young person to learn about.

A second question asked for the learning expectations during the exercise. Again, 60% named criteria concerning self-confidence, convincing other people, and acquiring self-assurance during a negotiation. Other points were:

- How to conduct a cold call

- How to place arguments
- How to control themselves
- How to organize themselves

The survey results were distributed before the practical exercise started to reassure the students.

The Exercise. Relatively little feedback or questions during the exercise were asked from the students. The students had the feeling that now it was their turn to work and that nobody could help them. Most of the interviews were done within one week, and some took longer.

The Results After the Cold Calls. The majority of the returned questionnaires gave full company details, so students had worked hard and considered the size of the company and their production program – two quite important variables during cold acquisition. Small companies are expected not to need a sales conference, and large ones will not care for them.

To have a simple set of parameters to evaluate the cold call success, the first item was to count the number of collected mail addresses per student, opening up the possibility of doing a reminder mail. Secondly, the number of no dead-end contacts was counted. The final success to count the number of registrations per student will be done after the conference is over. It is pretty remarkable that students collected 14 email addresses as average, the best one reached 27, and the worst one reached 2. It is, despite Covid, not too difficult to stir the interest of a company for a sales conference. [Fig. 1](#) shows the box plots of both results. The cross marks the average:

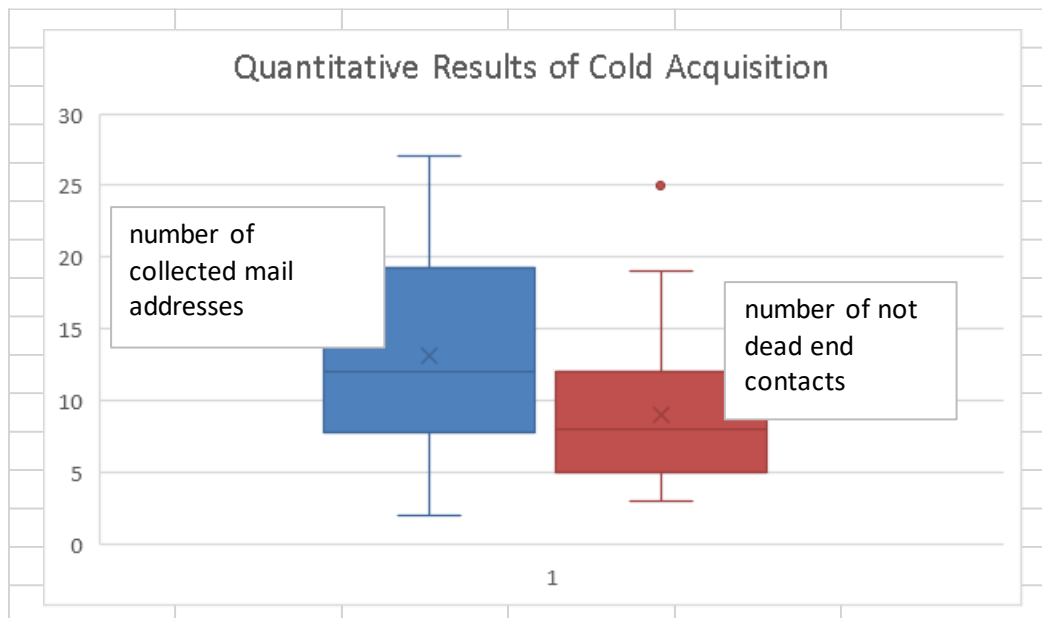


Fig. 1: Students collected on average 14 email addresses and had on average nine not dead-end talks. Blue: number of addresses, red: number of contacts, Y-axis is numbers of calls.

For the definition of “positive” contact, a relatively easy to fulfill definition was chosen. All calls without precise negative results were rated as positive. On the one hand, it cannot be expected that any salesperson or sales manager will commit during a first call to register. On the other hand, if a reminder can be sent, the possibility of stirring interest exists.

Survey After the Exercise. After the exercise, the students had to fill another questionnaire, asking for concrete experience during the calls and about any changes of mind due to the training. Again, ten questions were asked, which covered the following three subjects: initial problems and if they were overcome, lessons learned, and how important the students' experience was. The same scale of 1-10 was used, ten being perfect. All following figures have the y-axis as the rating scale (1=poor, 10= very good).

Initial problems

Although initial problems had been expected to be as low as 4,1 before the cold calls, students ranked them as 5,0. The task was more difficult than expected – this is an observation everybody will do when executing cold calls. The number of hurdles is high, and most potential prospects are unwilling to be contacted (see [fig. 2](#)).

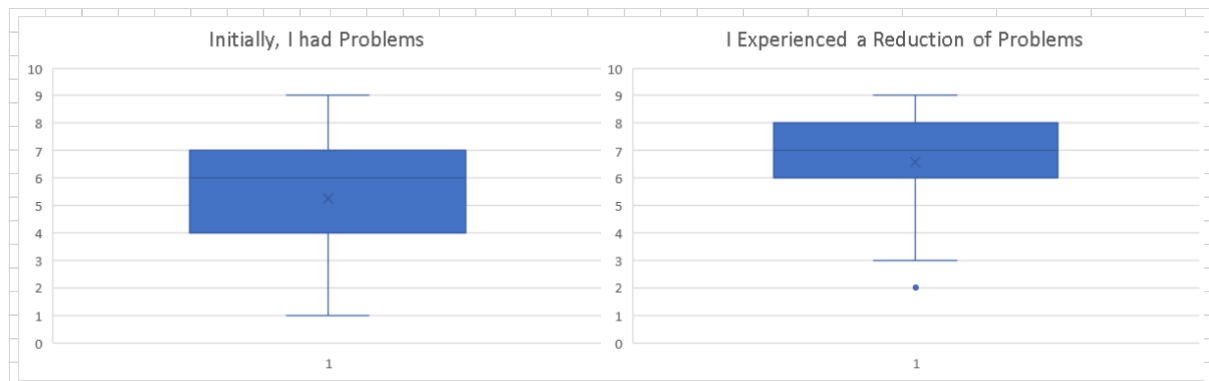


Fig 2: The initial problems were ranked on average as 5,0 – but after a while, they were overcome to an average of (6,9)

Still, the experienced problems reduced over time, and on the one hand, students got familiar with the rejection, and on the other hand, they must have improved their approach. Moreover, the spread of the box is only 2, so most students shared a similar experience.

Preparation was ranked before and after as being 7,0 – which is a fair result, but could and should be improved to increase the students' self-assurance (see [fig. 3](#)). During the next exercise, the briefing will be distributed on two days, spaced one week apart.

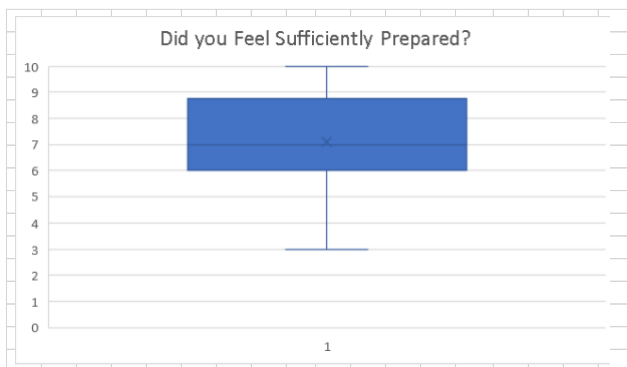


Fig. 3: Students felt pretty well prepared (average about seven before and after the calls) – still, they faced problems getting started

The question was asked if the students had deepened their knowledge of the conference before calling. The rating of 7,2 showed that almost all students had invested additional time to get acquainted and be better prepared for the calls. The relatively good overall results confirm that they were well prepared and able to run the cold calls.

Lessons Learned

The following questions were asked to explore the learning results:

- Can you adapt better to the call situation over time?
- Did your self-esteem improve over time?
- Did you learn to control and use your voice as desired?

The first question was rated on average as 7,3; the second and third in average as 6,7. This shows that the exercise was quite successful and that the students had learned a lesson. Now they are less anxious about cold calls; the students know it is difficult, but they know how to proceed, and they are more resistant to rejection.

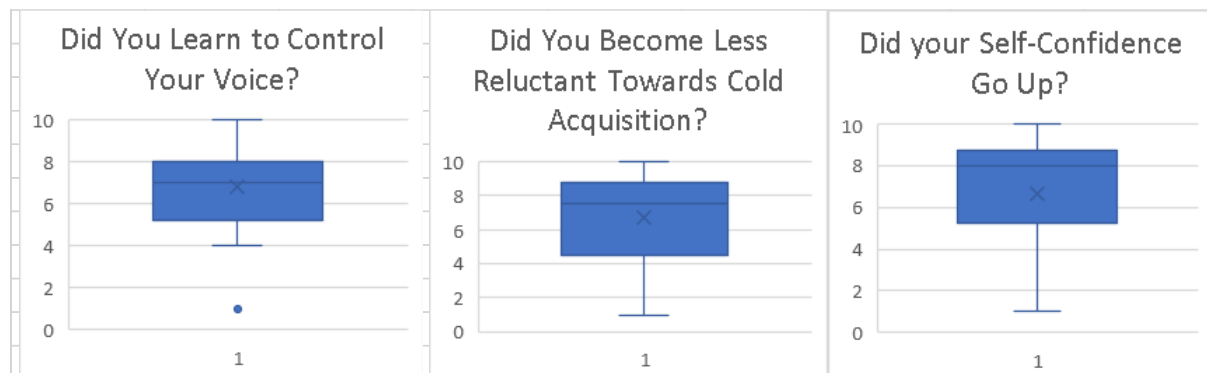


Fig 4: Learned lessons were rated as entirely positive, the hurdles went down, and the self-assurance went up

How important is this experience for you? This question received the best rating with 8,1 on average from all questions. Still, the comments show that the exercise was just the beginning. Here some positive conclusions and comments directly from the students:

- “Now I know what to do better in the next calls....”
- “I have learned where I have to work hard to improve....”
- “I am very glad to have done this exercise....”

One answer was less positive:

- “I have not really learned anything; I still do not know how to start a call and how to convince others....”

These comments show the importance and the fact that cold calling is complex, challenging, and sometimes frustrating. But most students understand that this less bright side of sales is a must, and they were grateful for the experience.

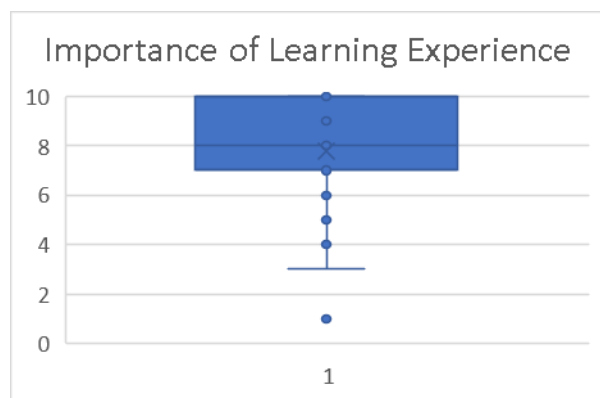


Fig. 5: The importance of the learnings in the exercise was ranked as 8,1 on average – the best result of all questions

CONCLUSIONS

Cold calling is difficult but essential. The earlier and the more frequent the students are exposed to cold calling, the better. It is fundamental for the supervisors to choose a rather easy-to-sell product to keep the frustration rate low. Furthermore, they need to motivate the students and guide them not to have an easy exit. The supervisors believe that surveys before and after the exercise contribute significantly to the motivation and the willingness to succeed. It is believed that breaking down the overall goal of the exercise to smaller goals is a very important support for the students' motivation. This will be incorporated into the next exercise.