

An analytical framework of selling situations within relationships and their impact on the role of the sales force

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SUMMARY

The change in selling under the influence of marketing concepts, the value chain, and marketing and management relationships is studied. The emphasis is put on processes and on value creation for the firm and its customers. These prerequisites enable the study of three examples of standard selling situations found in sales force literature with the purpose of leading to the proposal of an model featuring more of the marketing and relationship aspects. For each of the five selling situations, the nature of the relationship and the salesmen's specific role are clearly brought to the fore.

Key words :

Sales force, selling relationship, selling typology, salesman and value creation, salesman's role

In the introduction of their article on the « Research Priorities in Sales Strategy and Performance », Leigh and Marshall (2001) quote Shapiro, Slywotsky and Doyle (1994) when they state, “ The world of selling must accommodate a dramatically changed world of buying. Market-driven firms understand their markets in terms of how their customers prefer to buy and relate to their suppliers. This is an elegantly simple notion, yet it is rich in terms of implications for the selling function. Is the selling function a strategic or tactical consideration in market-driven firms? Can adopting a more strategic perspective on the selling function, its organization, and management significantly enhance organizational performance?”

Moreover, with customer acquisition, customer retention, customer value, e-business, relationship marketing, relationship selling, sales force automation, call center, CRM (customer relationship management), so many new concepts have emerged in less than a decade. The fact that all of these new methods have affected selling and the salesmen’s role should not be overlooked, nor the fact that they reinforce the arguments of those who have been declaring for more than fifty years that the sales force is vanishing.

Are selling and sales forces doomed to die out? Of course not. Are they destined to change? Definitely. How will this change be characterized ? What are the expectations in industrial selling situations and in B to B ? What will the salesmen’s role be?

We are currently trying to understand the reasons for this change in order to develop adequate selling situations ; studying the current classification of the different selling situations is a prerequisite. We will then suggest another more thorough classification and finally infer how it will affect the salesmen’s role.

I. THE MARKETING AND MANAGERIAL FRAMEWORK

The strength of relationships and the importance of problem solving that characterize the supplier-customer relationship obviously depend on the line of business (ordinary consumer goods, luxury products, capital goods, industrial goods {products and systems} and large industrial plants) (Belz 1999).

The change in environmental factors (e.g. economic, technological) hastened the change in marketing and managerial methods.

*** going from a marketing concept to a selling concept**

In 1967, Kotler, looking at the changes of that time, contrasted the new concept of marketing, the pursuit of profit through customer satisfaction, with the selling concept, profit through the amount of selling (i.e. a product orientation)

His definition : “Marketing is the analysing, organizing, planning, and controlling of the firm’s customer-impinging resources, policies, and activities with a view to satisfying the needs and wants of chosen customer groups at a profit” entailed :

- the need to make a profit by creating customer satisfaction through integrated marketing – the idea of segmentation (customer groups) and marketing mix (including selling)
- the need to carry out administrative tasks (analysis, organisation, planning and control)

This implementation of marketing through selling led to specific methods such as listening to the customer and taking his needs into account using the profit-product method.

The idea of loyalty –the length of the relationship- was already a part of the marketing concept : the first step was achieving satisfaction ; the idea of focusing was illustrated by the search for a customer group.

The integration was more difficult to accept. In a product-oriented company, each department developed its own logic according to its activity and carried out the tasks (in terms of marketing) that had an effect on the buyer. « The new marketing concept stresses the substitution of a single logic for the set of these logics. This requires the departments to be guided by the logic of satisfying the customers’ needs to make a profit ». For Kotler, this was the functional power of marketing.

• Porter’s conceptuel contribution

Porter (80) expanded the idea of value with his strategies (cost, differentiation, focus) by formalizing the concepts of the actor chain, the value chain, and the five competitive strengths; but this was only applied to an individual firm.

The emphasis on value creation –starting off from the value chain model- was subsequently extended in every direction. Firstly, value creation for the firm and particularly the shareholders, then for the firm’s varied public, and finally for the customers (who are often firms themselves) and for the consumers.

Understanding that the supplier must provide his customer with value makes it necessary to approach the customer in his process. Therefore, placing the supplier’s value chain side by side with the customer’s, several ways of working together can be found so that the two create

value for each other. Zeyl and Zeyl (1996) thus describe the three main kinds of selling relationships enabling producers and distributors to create further value together (joint marketing, non-marketing process partnership, strategic partnership). This supplier-distributor partnership is nothing more than an extension of a broader one in the framework of a network. Although researchers have always been preoccupied with development and production, the emphasis on the value chain has led to new organisational concepts such as Business Reengineering (Hammer and Champy 1993) and Lean Management (Hirschbach 1994).

All of these concepts have one thing in common : they focus on the process and no longer on the function. They approach optimisation problems as a whole and not according to the specific functional activity (see Bellman's Optimisation Principle)

***Value creation and communication**

In simple terms, value is equal to profits minus costs. This equation has led to many advances, particularly in terms of the possible factors (profits and costs) and their interaction. Sharma, Krishnan and Grewal (2001) break down the value creation process into three sub-groups : technology delivery process, product delivery process and customer delivery process. Selling creates value in the third sub-group while relying on the first and second ones.

Walter, Ritter and Gemünden (2001) analyse value creation in a buyer/seller relationship as having two main functions :

The direct function for which they make a distinction between :

- the “profit function” : « any supplier must have profitable customer relationships if he wants to survive in the long term »
- the “volume function” : “suppliers are interested in a certain quantity of product they sell and not only profit they made ».
- the “safeguard function improves the cost-efficiency of the supplier”.

The indirect function includes innovation, marketing, scouting and access functions :

- « suppliers often discount short-term financial gains for the long-term benefits of networking”
- “the first customer in a particular market may have a market function” a reference
- “to be successful suppliers, must obtain meaningful information from others outside”
- “customer’s experience ...can be of considerable help... to reduce time- and money-consuming ...”

The main functions cover the traditional aspects of selling, the indirect functions illustrate the “trade offs” to be made and the arbitration to be done by the sales force ; they affect above all the sales force’s communication duties.

One of the sales force’s tasks is to communicate ; communicating value poses the problem of the take on value itself. For Ulaga and Chacour (2001), « value is a trade off between benefits and sacrifices perceived by the customer in a supplier’s offering » ; they created a method to measure this perceived value.

*** Relationship marketing**

From very early on, marketing focused on the complex nature of organisational and industrial buying behaviour...

However, although buying centres were studied to a great extent, little or no research has been done on selling centres or the combination of the two.

The first achievement of the IMP group (Industrial Marketing and Purchasing) was a comparative study of buying and selling habits and in particular the notion of interaction (Hakansson, H 1982).

From the very beginning, the group tried to understand the interaction and thus the relationship between the active members of buying and selling companies in a constant relationship system. The parallel within the framework of a thorough process had aroused little interest in the past and had aimed at showing that the salesman and the buyer weren’t the only people involved ; the emphasis was on the interaction of the different people, on their tasks and roles and on the need to coordinate their tasks throughout the entire process (Zeyl, 1981).

It is possible to encounter such a large number of tasks and relations within one complex sale, an aspect that has been studied in particular by Cova, Ghauri and Salle (02) for the selling of systems and projects. It should also be noted that firms are capable of having projects of different levels and complexity at the same time.

Taking into account the final customer’s specific needs was especially well demonstrated by Mac Kenna (1991). Obtaining this competitive edge by focusing on the customer –a kind of return to basics – led researchers in marketing to define the « marketing relationship » at the beginning of the nineties (Rapp and Collings 1990), (Kotler 1991), (Webster 1992).

It is worthy to note, in comparison with Kotler’s definition (1967), the change from « chosen customer groups » to « chosen customer ». This is the shift to one to one marketing with an awareness of the role of the end customer.

The impact of the length of the relationship and loyalty (FF. Reichfeld 1996) on the various parts of the customer development process (J. Griffin 1995) and on the results in terms of value have shown the economic advantage of relationship marketing.

Mac Dougall, Wyner and Vazdaushas (1996) also studied costs in depth (acquisition, expansion and loyalty) to find them decreasing and the length of the relationship increasing (approach, first order, growth in selling, combined selling, ordering). These methods benefit a great deal from direct marketing and they are in accord with the importance that has been given for several decades to the ideas of costs and results in sales force literature from the eighties and nineties (in France : Dayan and Zeyl 84 to 00).

« If, as a field of study, the fundamental role of marketing is to attract and retain customers, the logical solution is to adopt a market orientation, influence and manage the business process to create value for the customer. The three ways to proceed are:

- (1) Coming up with solutions for the customer to benefit from PDM (Product Development management)
- (2) The customer acquiring and transforming resources into desirable results through SCM (Supply Chain Management)
- (3) Creating relationships with the end customer and consumer and using them as leverage within CRM (Customer Relationship Management) » (Srivastava, Shervani and Fahey, 1999).

Relationship marketing is mainly connected with the third point.

There has recently been a renewal of interest in the mixture of the selling and buying processes, and the buying phases can be distinguished from the corresponding selling phases. A distinction is made between the different pre-sale levels (fundamental marketing choice : customer choice, the offer, transaction schedule, communication...), negotiating and taking the order in the selling phase and finally the post-sale phase including customer loyalty measures through the quality of service, discussion, advice and the various relationships. These three phases must be coordinated (Oggenfuss et Peter, 1998).

This kind of harmonization can be reached thanks to CRM . CRM enables (Lasogga, 2000) a comprehensive approach to the process as opposed to activities created and carried out in only one organisational field. The emphasis goes from functional marketing activities to ones focusing on the customer and his view of the result ; long-term customer loyalty has to be developed and maintained.

To build up customer loyalty, three kinds of marketing tools were designed : economic, psychological (creating links) and structural (partnerships) (Berry and Parasumaran, 1991).

*** Marketing relationship and management relationship**

Because the supplier and the customer interact with each other, some authors prefer to use the term « Management Relationship » rather than « Marketing Relationship », considering that the use of the term Marketing Relationship infers that only the supplier is involved in the process. In other words, general action is taken concerning individuals to obtain a specific answer whereas each individual and his problems need to be seen before in order to find an appropriate solution (Ford and All, 2002). It's a question of taking into account specific relationships in one to one. Still, it should be noted that the supporters of marketing relationship could justify their argument by focusing on reverse marketing.

Marketing relationships are therefore part of a broad group, going beyond just the marketing function and focusing on various projects, requiring significant and well-timed organisation.

*** From traditional selling to relationship selling**

Inter-professional relationships linked to selling have been salesmen's prerogative for thousands of years and they were already being studied at the beginning of the 20th century (Larson, 2001). They are in the process of significant change under the influence of the factors referred to earlier.

Marketing has changed the orientation of selling (needs assessment), has led to the creation of new methods and has logically put the emphasis on the relationship with the buyer. As a result, Blake and Mouton (1970) introduced one of the first measures of consumer orientation into selling with the « concern for others » angle, adapting their managerial grid to selling and buying. Thanks to both orientations (x = degree of importance given to selling ; y = degree of importance given to customers), they assess salesmen's styles from philanthropical (1.9) to successful (9.9) with styles such as aggressive (9.1) in between.

Their survey was based on decisive factors concerning decisions, beliefs, enthusiasm, conflict, self-control and sense of humour. In this model, customer-orientation is still carried out in a task-oriented context, that is completely functional. Another two-dimensional model, SOCO (selling – orientation, customer- orientation) developed and tested by Saxe and Weitz, shows that customer-selling power is linked to the salesmen's ability to help their customers and to the quality of the customer-salesman relationships. Even today, there is an interest in this grid since Thomas, Soutar and Ryan (2001) realized how it could be simplified to be used as an operational tool.

We are in fact witnessing a change of model ; in this manner « the generalist-selling model in which the salesperson manages all aspects of the selling process appears to be waning, at least

in market-driven firms. Instead, firms study customer relationships as a process, seeking to reengineer this process to compartmentalize transactional management (especially routinized purchases), technical support, and customer service functions into independent centers of excellence, and redefine the sales force's role in developing strategic account relationships to include serving as a business consultant, managing ongoing relationships, resolving major problems, and leading in customer advocacy (to the selling firm itself).”

Leigh and Marshall (2001)

This vital change of role had already been pointed out by Crosby (1988) « sales and service personnel can enhance relationships through such value-adding activities as: social reinforcement, personal reassurance, product/service benefit reinforcement, problem solving, customization, and labor substitution. »

The move towards relationship selling is carried out with bigger and bigger accounts because the complex buying processes bring many contributors into play and make it necessary to develop relationships with various people within both the selling company and the buying one. This can lead to tasks (directly linked to selling [persuading, giving information,..], linked to the development of the firm, linked to the offer policy [advice, service, complaint, safety,..], sales follow-up,.. ;) and even to different positions for the supplier's contributors (managers in customer service, customer contact, follow-up, product/service development, After-Sales Service) (Zeyl 1981)

These different changes led specialists to set apart a Customer driven approach (Consultative Strategy) at the beginning of the seventies which involved a process of identifying and satisfying buyer's needs and also establishing relationships resulting in repeated business – with authority in the customer's hands. Then, towards the nineties, a process requiring reciprocal dealings and enabling each person to satisfy the other's needs was brought to the fore (Oberhaus M.A., Rattiffe S and Stanble V. 1993). The « relational selling process » developed by these authors took up the selling steps from the past while emphasizing the inter-personal communication aspects.

Referring to Jolson (1997), Yoyo (1998) stresses two key facts, « most treatments of relationship selling focus on the duration, rather than the creation, of a relationship”, therefore account management isn't enough, relationship development is required. He also emphasizes the fact that « trickery, chicanery, hard sell or dumb sell » is not acceptable in the relationship.

Therefore, the importance of the salesman in creating and developing the relationship should be noted, but also the need for the salesmen to differentiate between relationship and friendship selling. Although both concepts are important, friendship (golf, lunch, calls before Christmas, ball game tickets, gifts, remembering birthdays) only accounts for 5 % of business compared to 95 % for relationship business (« concerned, involved, interested in business, effective follow-up, continuous communication ...). Beveridge (2000).

Kotler and Dubois (1997), facing the problem of the establishing and building customer loyalty, make a distinction between five levels of action. The first four (basic, responsive, responsible and proactive) are the salesman's prerogative, the fifth has to do with the partnership (« the firm is in constant contact with the buyer in order to control its productivity »). Except in the highest relationship level, the salesman plays the main role in the customer relationship. His role in the last example needs to be clarified.

II. CONCEPTS TO BEAR IN MIND WHEN ASSESSING A SELLING SITUATION

*** Value creation for the firm :**

The salesman constantly has to create value for the firm:

- by lowering his sales costs using different techniques such as time organisation so as to devote as much time as possible to selling and optimising his selling effort according to various customer categories and by working in selling teams (structure). In some sales forces, simplified processes were used as a starting point (needs awareness, looking for information, looking for suppliers, assessment, choice, ordering process, after-use assessment), reasoning that using means of contact such as telephone, fax or mail would give the same results as face to face contact but at a lower cost (improved management of tasks not involving customers, improved management of resources).

- by developing the market :

directly

- for all of his customers (by finding new customers, optimising the management of his current customer portfolio)
- for a given customer (by helping him grow {giving advice,.. }, selling him more of the same product as well as other products,...), enhancing selling { concern for respecting the value for the customer }, developing loyalty

indirectly

- by bringing information back to the firm to enable the development of new products, for instance,
- by managing customer relationships. This management and follow-up used to cause problems when there were several contributors and when projects were long.

*** Value creation for the customer**

The salesman always used to speak to the customer individually, but more to influence him and to achieve results than to worry about the customer's interest.

If we limit ourselves to value creation for the customer, it can be attained, in simple terms, by adjusting or accentuating:

- Costs (acquisition : purchasing and promotional costs, operating costs –handling, storage, transport, management)
- A service advantage (supporting the customer's own selling, increasing turnover and profit margin, PDM).

If the customer decided to buy, he acquired value. Certain selling methods such as solution selling, consultative selling and system selling prove that it was not just a question of attractive prices. Little by little, selling brought about this new customer orientation.

*** Emphasis on the customer's buying process**

Market orientation is made up of three parts: customer orientation, competition orientation and inter-functional organization. The first two correspond to the task of finding information with and without the customer in order to be aware of what value buyers are looking for and how the firm can create greater value than the competition . The third part is comprised of bringing together the buyers and the different departments of the firm to provide this value (Narrer and Slater, 1990).

This last task corresponds well to the idea of a process.

The importance of focusing on processes has three parts :

- The converging aspect of the buying process and the selling process
- The intricacy of the relationship of the two
- The time limit of the process.

III. CURRENT KINDS OF SELLING SITUATIONS

At the end of the nineties, although marketing still regarded the relationship as one of the longest-lasting competitive advantages, Day (2000) put forward new ways of managing these relationships: the computerization of transactional deals but also the development of added value exchanges and the broadening of processes and strategies. Nevertheless, they were all still based on marketing. In his article, the term selling is only mentioned in a table comparing the three kinds of deals, to describe the aspect of « negotiation and persuasion in a transactional deal » under the influence of the « sales/services teams and Key account selling » structure for the value added exchange.

Fortunately, suggestions found in « sales force » literature are a little clearer.

* The quadrant solution

The quadrant solution is a model that characterizes selling situations according to two aspects : « *Touch and Tech* ». Four situations are introduced « Super Closer Selling (High-Tech, Low Touch) », « Consultative Selling (High-Tech, High-Touch) », « Relationship Selling (Low-Tech, High Touch) » and « Display Selling (Low Tech, Low Touch) » (Stevens, H and Cox, J, 1991).

The contribution of this model (taken from the Challey model) is that it completely breaks away from the « relationship selling » method by introducing a range of selling and buying situations keeping in mind the customer's familiarity with the product but also the intricacy of the purchase itself, especially concerning the number of contributors.

These two definitions, High-Touch and High-Tech, are quite interesting : High-Tech because technology itself relates more to the customer's experience with the type of product or service offered ; High-touch because it illustrates the need for contact, is linked to the intricacy of selling and is a gauge of the salesman's level of selling effort.

The selling relationship aspect is associated with the two High Touch quadrants, divided into two parts: « High-Tech Consultive Selling » and « (Low Tech) Selling relationship ». The two are set apart as follows (table 1) :

	Consultative selling	Relationship selling
Customer relation	<ul style="list-style-type: none"> - Conduct continuing, patient one-on-one education. - Produce information mailings. - Ensure guaranteed responsiveness. - Document and communicate constantly – keep the customer involved and aware of our attention and progress. 	<ul style="list-style-type: none"> - Regular personal contact by account manager. - Tours of our facilities. - Entertainment. - Trade shows.
Customer service	<ul style="list-style-type: none"> - Design and install the system. - Train the customer’s users. - Provide follow up system maintenance. <p>Track benefits to demonstrate the wisdom of the customer’s decision, and find areas for further improvement</p>	<ul style="list-style-type: none"> - Top-level service delivery skills. - Emphasis on accessibility to key account managers. - Hotlines and internal systems for quick response.

Table 1. The differences between Consultative Selling and Relational Selling

Taken from pages 186, 187 & 189 of Stevens and Cox (1991)

*** The selling pyramid**

Blessington (1992) works on the principle that in order to develop a selling strategy, a company must first make its general selling situation known, establishing a selling philosophy and a specific method.

To do this, he describes a selling pyramid composed of three orientations, each of which has three selling situations: product (product oriented : order taking, feature selling, pressure selling), customer (buyer oriented : relationship selling, post sale service, multilevel selling) and application (application oriented : need selling, consultative selling, partnership selling), acknowledging an increasing order of intricacy. This method is highly focused on selling and entails concentrating on the buyer’s needs for customer oriented selling (for him, relationship selling is part of this category). At the highest level, application oriented selling focuses on the customer’s business (he puts consultative selling in this approach).

We should be aware of the focus on the salesman’s task as well as the use of a different method from the previous ones for relationship and consultative selling.

*** Rackham and De Vincentis's (1999) method**

These authors tackled the selling method from two angles: the customer's attitude towards value creation and the company's mutual investment (supplier and customer).

There is a selling method associated with each of the three kinds of customers, determined according to the desired value. Therefore, the transactional deal method corresponds to the « Intrinsic value customer » for whom value is consistent with the lowest price; the consultative selling method corresponds to the « Extrinsic value customer » who is looking for added value in the form of customized solutions, advice or problem-solving; and finally the firm selling method corresponds to the « strategic value customer » who invests, and for whom companies are willing to invest, and who tries to create value with the supplier through a significant relationship.

The contribution is multi-faceted : in addition to the need to be aware of the selling situation the customer wants, the emphasis is put on the effort of skilled selling (training, tools, salesmen's level) and on the long-term commitment of firm selling. It should be noted that the term consultative selling is roughly associated with Stephen and Cox's (1991) high-touch and has a different meaning. Using two main lines, supplier investments and customer investments, enables the supplier to determine squandering (over-investment in relation to the customer) or risk (under-investment in relation to that of the customer). The result is that the suggested selling methods can only be found where the two proposed main lines meet. The main lines therefore help to explain the strategies but do not enable the designation of new selling situations. Firm selling is set apart from consultative selling more by the nature of the offer and by the contributor's roles than by the amount of selling. The offer is the firm (that is to say its knowledge and know-how and not only its production) and investment is high, hence the need to carry out a significant amount of business. Consultative and firm selling are associated mainly with value creation for the customer, but do not differentiate between the two other sub-systems of value creation, the product delivery system and the technology delivery system, if we go along with Sharma and Krishnan's (2001) method. The same is true if we adopt Stevens and Cox's (1991) « high tech low tech » orientation. Firm selling is present in manufacturing as well as in business to business. It should be noted that to define this « new logic of producer distributor interaction », the subtitle of their book, Zeyl and Zeyl (1996) discerned several limits :

- There can only be firm selling if the customer wants it (he chooses the selling situation that works for him)
- This makes it necessary to share a strategic view point

- The choice of a partner must be made while taking into account the benefits that this can bring to both partners, the possibility that this may improve the competitive position of both, and the need to bring staff together to work as a team whereas they had been trained to work against one another
- The constant involvement of managing executives.

This change in strategy therefore requires the long-term involvement of many people in addition to the buyers and sellers. Moreover, wanting to make profits must not lead to forgetting the frequent risks associated with relationships.

The distinctions made between the kinds of relationships broadly correspond to those developed in a more general way by Day (2000), such as a lasting competitive advantage (transactional, value adding and collaborative exchanges).

It is worthy to note :

- that all of these models demonstrate that there are different selling situations altered as a result of the variety of possible relationships (Webster 1992)
- that none of these models count on the customer having a number of needs, different experiences and different expectations of the selling method.
- That, as long as we understand Blessington's (91) term "application" as advice and Rackham and de Vincentis's (1999) as partnership, the development of the salesmen's tasks is linked to the buying conditions throughout both the selling process and the buying process

IV. PROPOSAL OF A MORE THOROUGH CLASSIFICATION SYSTEM

- **Limited at first to the buying process.**

A. THE FACTORS OF THE MODEL

Several factors must be taken into account :

- For the buyer
 - The risk factor

The study of his own value chain leads him to adjust his buying policy while taking risk into account. This can be linked to :

- . the price per item
- . the overall amount
- . the implications of the process

. the influence on his own selling

His selling expectations will therefore depend on the risks he is willing to take for the purchase itself in the presence of a given supplier

- The experience factor

The customer's experience can be described in relation to his familiarity with the product or service obtained. The Buygrid (Robinson- Faris- Wind 1967), one of the foundations of industrial marketing, confirmed that the buyer's expectations and behaviour change according to whether it is a new purchase, a modified rebuy or a straight rebuy. By analogy with what happens for a producer in a technical field where a new product can be new for the firm, new for the market or completely innovative, it is possible that a buyer will not have an internal reference, has no external market reference or even has no reference at all, resulting in a gap prior to the first buying phase.

- For the salesman

We have seen that the firm can no longer confine itself to just ABC analyses (on the size and/or the profitability of customers). In reality, customers with comparable profitability can have completely different experiences and a different attitude towards risk, and therefore their expectations in terms of the sales force are not the same.

A level of potential relational investment should correspond to the customer's risk factor for value creation. Of course, this is only possible with major or potentially major customers.

For the second factor, if the customer is already familiar with the product, demand marketing should be applied. If the customer is not familiar with it, offer marketing will have to be used in order to create value.

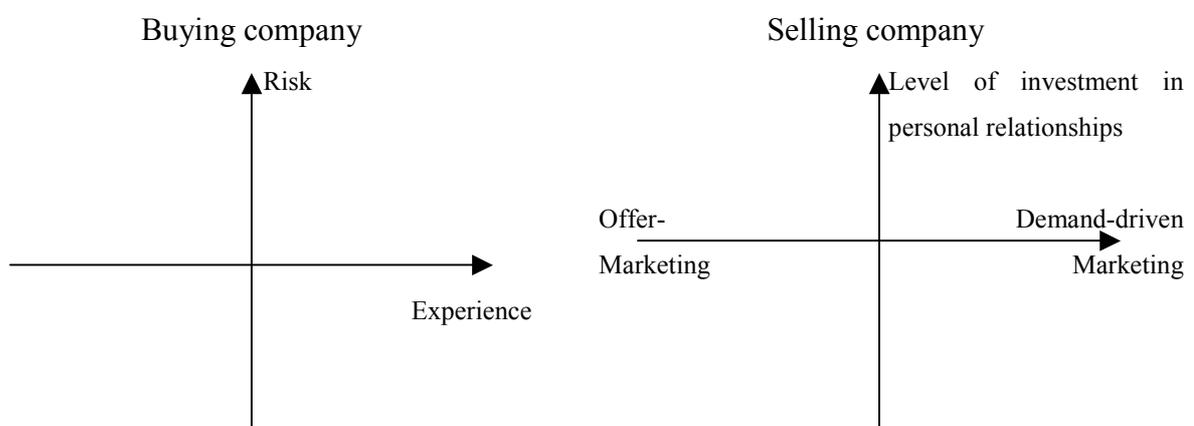


Table 2. The factors for defining the appropriate selling situation

This results of five selling methods for one selling company :

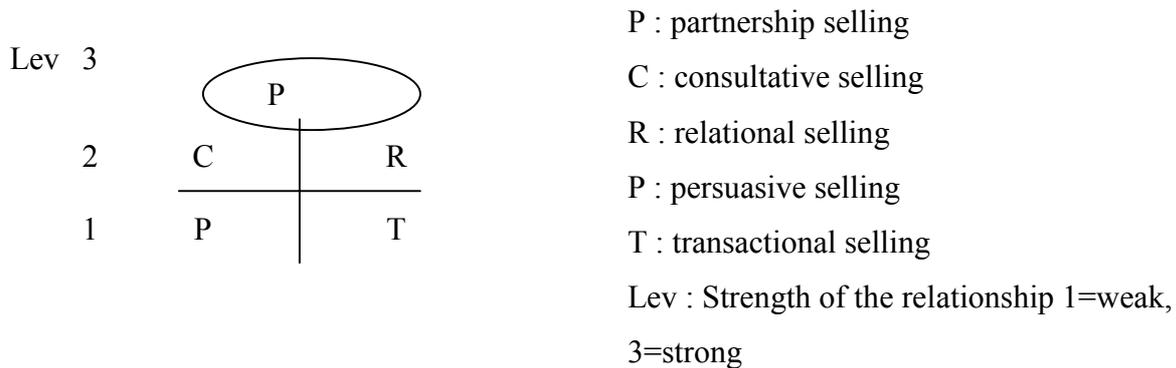


Table 3. The different corresponding selling situations

B. PRESENTATION OF THE FIVE SITUATIONS ACCORDING TO THE THREE LEVELS

Level 1

-T : Transactional selling

For this selling situation, the products and services are well known to the customers and available from many suppliers, and a large amount of information on them is accessible, making price comparison easy. On the other hand, it is known that an industrial sales force is more costly.

The firm should therefore abandon selling through salesmen in the field and enhance their telephone selling, direct marketing or make use of an Internet selling platform.

However, although they accomplish a great deal of selling using this kind of product, some firms decide to use salesmen nonetheless :

- Sometimes because their customers buy different products with expectations related to the other quadrants
- Sometimes because they use extremely aggressive sales forces (called sales warriors), salesmen trained to know how to transform even a tiny difference into an advantage (Stauffer, 99). These firms have to be careful, however, because this selling situation can quickly become misleading.

-S : Seduction selling

Close to Stevens and Cox's (1991) « High Tech, Low Touch » quadrant, this selling situation is part of offer marketing. At a given point in time, the customer has no particular needs or specific problems. On the other hand, in manufacturing, for example, he knows that he might be behind in terms of a technical solution and in this case –if the investment is not too high– the risk of not trying a new technical solution can outweigh the risk of trying it (for the customer, this represents a step before the first purchase in the buygrid).

In this case, it is a question of a true sale, one in which the salesman is an authentic manager of change and in which marketing could never replace the salesman.

Here again, if solutions are proposed that, in theory, have no interest for the customer, there is in actual fact a problem of business ethics.

Level 1 can be carried out without a salesman, or with a specific kind of salesman. He usually works alone. It is often at this level that the ethical problems of sales forces are confronted.

Level 2

-R : Relational selling

Well-known to the customer, the products and services they want can be found on a platform. In spite of this, the customer still prefers to do business with his supplier because the supplier is a reliable producer, able to ensure him of many complementary services –specific packaging, delivery. This is the case in business-to-business for some Producer-Distributor relationships (for MDD, for example) when they do not justify a future view of partnership selling.

-C : Consultative selling

A customer who hasn't yet found a solution (first purchase) or who is looking to improve his current solution (modified purchase), is often looking for help, suggestions, new solutions. The salesman's or the support technician's know-how is essential in this case because it

enables the customer to find new solutions for technical products, production processes as well as production management (for example : management and production software).

Level 2 requires salesmen with more skilled and relational qualifications and if possible other staff connected to selling alongside the salesmen for temporary contributions (technical support managers).

For a buyer, going through the **S, C, R** then **T** progression represents a beneficial experience (customer innovation cycle).

Level 3

-P : Partnership selling

This level is reached when there is sufficient appeal for both the customer and his supplier to establish a common strategic approach in a particular field (the customer has priority).

For example, in business-to-business, producers and distributors can work together at a national level or even at a global level (Danone-Carrefour or Procter-Walmart, for a given product category).

In manufacturing, Air Liquide and AEDS can combine their knowledge of liquid hydrogen storage and pumps to build a rocket engine.

It can only be beneficial for a producer (3M for example) to have its teams of technicians work with customers who are themselves at the leading edge of progress because this could enable it to make technological breakthroughs (von Hippel, E ; Thomke, S and Sonnack, M 1999)

This is all the more important when we realize that true core competencies are few and far between within firms and that for large projects, they must be brought together (Prahalad and Hamel (1990)).

Why not differentiate between two separate groups at this level? For example, manufacturing and the consulting side on one hand, B-to-B and the relational side on the other? Quite simply because it is a question of strategic ties and they seldom have the one and only purpose of improving current solutions. In order to have a true partnership, substantial strategic involvement is necessary.

It is in this field that the first levels of collaboration between different departments within two partner companies can be found (for example, in business-to-business (Molle, 87) or manufacturing (Belz, 98)). With networks, we have gone from an opposition structure to a cooperation structure, as show in figure 4 below.

Going from an opposition structure



To a multi-level, multi-functionnel approach

Multi-functional – the task force idea

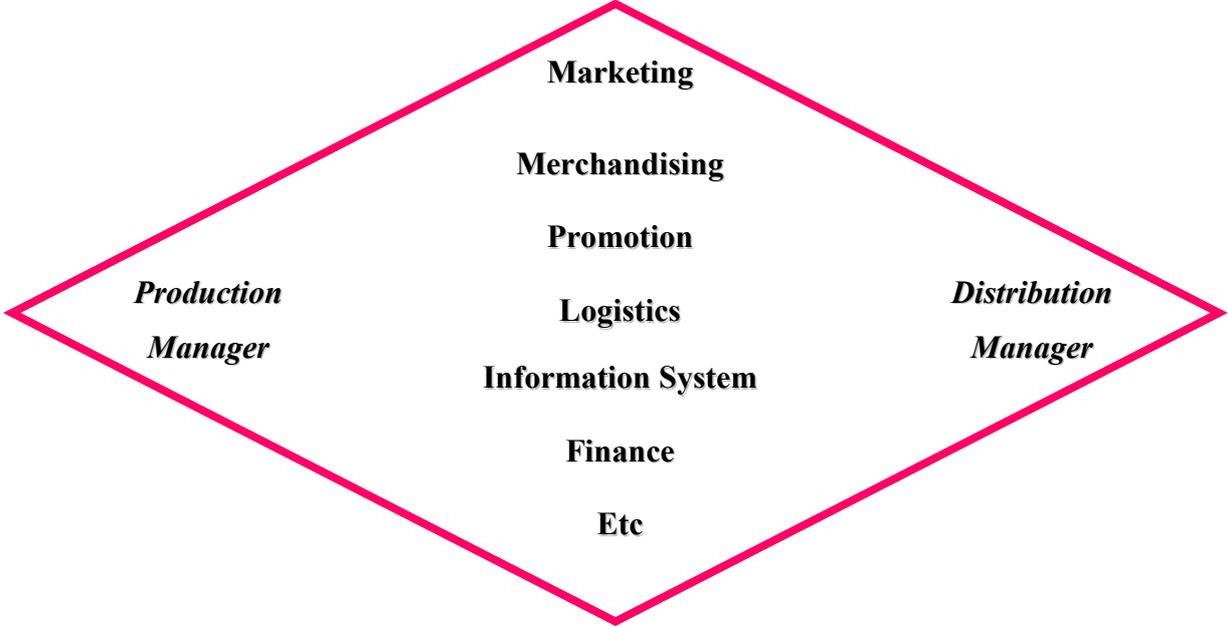


Figure 4 : from confrontation to cooperation (taken from Zeyl and Zeyl, 96).

To manage the constant contact with the customer, firms usually appoint a K.A.M. (Key Account Manager) who is responsible for establishing and building relationships.

To carry out projects, selling teams are frequently set up. For the supplier, there are four roles assigned to these teams (Deeter – Schmelz and Ramsey, 95) :

“Four roles have been conceptualised in the core selling team:

- A selling team leader responsible for all team actions, including negotiation and internal and external relationship development.

- A seller who serves as primary contact for customers.

- A internal coordinator responsible for compiling and coordinating the extended selling team.

The extended selling team consists of functional experts possessing the technical knowledge needed by the selling team to meet specific customer needs and wants.

- A customer service representative who provides installation, maintenance, and other customer services. Individual members of the core selling team may be responsible for more than one role.”

Level 3 is where true networks are found. In some cases (e.g. relationships between small businesses and large distributors), although we use the term partnership, it is obvious that in most of the cases it is more a question of a extended relationship than a true partnership. For example, in France, certain purchasing groups have created a « Mr. Small Business » position, a person who deals with a hundred or so small businesses. This certainly has the purpose of improving the relationship, although its strategic importance is questionable.

Level 3 is typically that of multiple contributors and therefore of their management, which is crucial. It is worthy to repeat that the personal relationship grows when going from a single purchase (level 1) to a complex purchase or a project (level 3).

C. SYSTEMATIC STUDY OF THE FIVE SITUATIONS

Each of these methods will be examined: (Tables 5 to 9)

- In relation to the customer’s situation
- In relation to the selling situation the customer expects
- In relation to value creation for the customer by the firm and by the salesman
- In relation to the salesman’s role in the customer process
- In relation to the salesman’s contribution to his firm

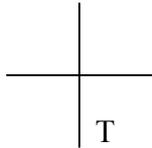


Figure 5 : Transactional selling

<p>Customer situation</p>	<ul style="list-style-type: none"> ▪ Experience : - Excellent when he is familiar with the product or comparable products on the market (a single second-time purchase). - Knows what he wants to change – has a schedule of specific conditions of the product or service features looked for. ▪ Risk : - takes responsibility for it : - is able to handle it by comparing and negotiating prices and lead times (one-time purchase). He makes this comparison on line or with a salesman .
<p>Customer expectations</p>	<ul style="list-style-type: none"> ▪ Attain the best terms (cost price, terms of acquisition, lead time, transport) for a product or a service. ▪ Quick purchase. ▪ Orientation towards a product with appropriate features (the case of a modified rebuy that is not computerized).
<p>Value creation for the customer by the supplier</p>	<ul style="list-style-type: none"> ▪ Offer a set of favourable terms: <ul style="list-style-type: none"> - Choice - Quality - Price } with product features - Availability - Terms of delivery - Guarantees ▪ Easy terms of purchase: <ul style="list-style-type: none"> - Computerization (platform)
<p>Value creation for the customer by the salesman</p>	<ul style="list-style-type: none"> ▪ Salesman not automatically needed if there is a computerized procedure (see above). ▪ In case <ol style="list-style-type: none"> 1) There is no platform. 2) The customer wants a salesman’s help.

	<ul style="list-style-type: none"> ▪ Help the customer : <ul style="list-style-type: none"> - By explaining all of the choices. - By making administrative procedures as easy as possible by taking the order. - By explaining this procedure to allow automatic restocking for the next time. ▪ Negotiate the terms with the customer. 	
Role in the customer process	Nonexistent in the case of automatic restocking Traditional role of describing features and negotiating.	
Specific contribution in relational terms	<ul style="list-style-type: none"> ▪ None if a computerized process is used. ▪ Information-giving role ▪ Negotiating role ▪ Helpful relationship. <p style="text-align: right;">} But limited by the situation</p>	
Contribution to the firm	If there is no salesman Savings for the system	If there is one <ul style="list-style-type: none"> ▪ Gain of information ▪ Order taking

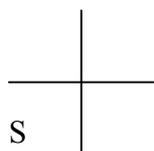


Figure 6 : Seduction Selling

Customer situation	<ul style="list-style-type: none"> ▪ No experience : knows that there might be important things he doesn't have but doesn't know what they are. ▪ Risk : is willing to take responsibility for some risk if won over.
Customer expectations	<ul style="list-style-type: none"> ▪ Find an appealing way to encourage deals on the value chain of his own business. ▪ Not to be swindled. ▪ Come up with new approaches, products.
Value creation for the customer by the supplier	<ul style="list-style-type: none"> ▪ Suggest a change capable of advancing the customer in his own surroundings ▪ Offer a new product or service (which the customer is not yet aware of, perhaps because it is too innovative compared with his current solution).

Value creation for the customer by the salesman	<ul style="list-style-type: none"> ▪ Be a manager of change by giving: <ul style="list-style-type: none"> - A new perspective. - A specific project that is justified within the customer process. - A clear and appropriate presentation.
Role in the customer process	<ul style="list-style-type: none"> ▪ Innovating. ▪ Familiarizing.
Specific feature of relational service	<ul style="list-style-type: none"> ▪ Requires a relational ability that quickly leads to a decision with : <ul style="list-style-type: none"> - Clarity. - Enthusiasm. - Credibility.
Contribution to the firm	<ul style="list-style-type: none"> ▪ New customers. ▪ New markets.

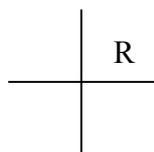


Figure 7 : Relational Selling

Customer situation	<ul style="list-style-type: none"> ▪ Experience : excellent – corresponds to transactional selling but only in a straight rebuy situation ▪ Risks : have been assessed.
Customer expectations	<ul style="list-style-type: none"> ▪ Attain the best terms (like in transactional selling). ▪ Have confidence in the quality, price, restocking, lead times. ▪ Be guaranteed against potential problems. ▪ Have someone to speak to in case there is a problem. ▪ Add value to the flow of business by working with a familiar and well-liked person.

Value creation for the customer by the supplier	<ul style="list-style-type: none"> ▪ Suggest actions in the customer process, solutions to increase the customer's selling (promotions and trade marketing in business-to-business, Intel inside,...). ▪ Create reserved references (business-to-business) of specific sub-groups (Manufacturing) to become a part of the stock (business-to-business) of the product (Manufacturing). ▪ Influence the supply chain (see ECR in trade marketing).
Value creation for the customer by the salesman	<ul style="list-style-type: none"> ▪ Take into account the customer's specific needs. ▪ Facilitate the value chain at every level. ▪ Be of service (anticipate – avoid potential problems). ▪ Manage transaction costs– suggest improvements (for example, automatic restocking). ▪ Defend the customer within the firm: <ul style="list-style-type: none"> - Make sure commitments concerning products, prices and lead times are respected. - Follow-up on deals.
Role in the customer process	<ul style="list-style-type: none"> ▪ Present every step of the way. ▪ Responsive and even proactive. ▪ Ensure that commitments are fulfilled.
Specific contribution in relational selling	<ul style="list-style-type: none"> ▪ Establish and build confidence. ▪ Settle relational problems. ▪ Manage internal and external relationships (defend the customer). ▪ Emotional intelligence. ▪ Make contacts.
Contribution to the firm	<ul style="list-style-type: none"> ▪ Analyse the customer situation. ▪ Suggest specific actions. ▪ Organize and carry out the actions. ▪ Optimise relationships while keeping their costs under control (face to face, telephone, fax, e-mail,...).

Figure 8 : Consultative selling

Customer situation	<ul style="list-style-type: none"> ▪ Experience : - Specific needs have not been satisfied. <ul style="list-style-type: none"> - Aware of unsolved problems. ▪ Risk : <ul style="list-style-type: none"> - Often has trouble assessing it. - Is afraid that it is high.
Customer expectations	<ul style="list-style-type: none"> ▪ Come across professionals qualified to give advice in order to solve his problems. ▪ Receive information and « benchmarks » pertaining to his problem. ▪ Have new approaches suggested to him. ▪ Get support in intellectual terms and also in terms of training, orientation, services.
Value creation for the customer by the supplier	<ul style="list-style-type: none"> ▪ Help the customer identify and analyse his problem. ▪ Give technical support. ▪ Suggest specific solutions that are suitable, practical and cost-effective.
Value creation for the customer by the salesman	<ul style="list-style-type: none"> ▪ Be skilled in analysing and giving technical advice. ▪ Direct customers towards the most suitable solutions. ▪ Be able to call on someone within the firm for technical solutions and find useful staff for the customer to speak to. ▪ Optimise from the customer's perspective. ▪ Conclude. ▪ Follow-up.
Role in the customer process	<ul style="list-style-type: none"> ▪ Present every step of the way. ▪ Add value at each level: <ul style="list-style-type: none"> - Identifying problems. - Directing towards recommended solutions. - Technical support. - Persuading and making people purchase. - Following up on the installation and subsequent operation.

Specific contribution in relational terms	<ul style="list-style-type: none"> ▪ Be credible as regards skills and professional know-how. ▪ Establish and build confidence. ▪ Be able to manage external and internal relationships (defend the customer).
Contribution to the firm	<ul style="list-style-type: none"> ▪ Customer satisfaction. ▪ Customer loyalty. ▪ Building middle- to long-term relationships.

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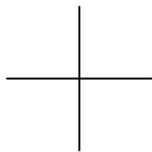


Figure 9 : Partnership

Customer situation	<ul style="list-style-type: none"> ▪ Experience : - Excellent regarding regular business. <ul style="list-style-type: none"> - Good : - at detecting prospects of strategic links <ul style="list-style-type: none"> - at defining where these links are. - at defining goals to be reached. - Weak regarding the people and the technical and financial means to be used. ▪ Risk : assessed as high because it is a strategic problem.
Customer expectations	<ul style="list-style-type: none"> ▪ Solve a problem linked to either : <ul style="list-style-type: none"> - a technical change (new product, new applications), - the operation of a current process (logistics, EDI), -downstream customer growth (trade marketing, category management). ▪ Thanks to the partnership, set up a multidisciplinary team able to reengineer all or part of the process : for the customer or for a general supplier + customer chain.

Value creation for the customer by the supplier	<ul style="list-style-type: none"> ▪ Influence – reinforce the customer’s strategic orientations and priorities. ▪ Help the customer detect the problems and opportunities of his own process or market. ▪ Finalize a system of setting objectives, managing, measuring, controlling and distributing the expected profits. ▪ Take part in financial, technological and human investments. ▪ Coordinate work sites and projects.
Value creation for the customer by the salesman	<ul style="list-style-type: none"> ▪ The partnership is achieved with the help of the multidisciplinary teams ; the role of the salesman is therefore to provide value : <ul style="list-style-type: none"> - Either he is the manager : K.A.M. (Key Account Manager). - Either he is a member of a K.A.M. group (so that the suggestions of the other members of the firm (technicians, computer programmers, logistics staff,...), don’t overlook the relational and commercial aspect of the project).
Role in the process	<ul style="list-style-type: none"> ▪ Project organisation (K.A.M.). ▪ A member along with the others.
Specific contribution in relational terms	<ul style="list-style-type: none"> ▪ Confidence builder ▪ Someone to speak to in case of a problem ▪ Regulator
Contribution to the firm	<ul style="list-style-type: none"> ▪ Permanent ▪ Relationship development ▪ = « responsible for the long-lasting nature of the relationship »

- **Several simultaneous buying processes for the same customer**

A customer may have several purchases to make (tab. 1), and have completely different expectations of the roles.

For example :

- For the simple restocking of a raw material or a basic component, he can very well go through a Business-to-Business or e-Business (T) platform
- For a resale, he can create a version of a product or a component that is specific to only him (R)
- He can look for advice to solve a simple problem (C) or a more complex one (P) (assistance from a team).

We must be able to follow the customer for each project and be aware of all of the actions in progress for the customer, even if it is a specific project. This is the role of CRM –a role that is possible thanks to new technologies

When a firm is working with a customer at a high level (2 or 3), it can certainly use methods from lower levels if necessary.

V. CONTRIBUTIONS AND LIMITS OF THE SUGGESTED MODEL

Contributions :

- Selling situations can be organized in relation to marketing criteria for both the customer (experience with products or services and risk) and the supplier (demand marketing, offer marketing).
- All sales are not a result of relationship methods and therefore do not come within the framework of this dominant trend of working within networks.
- Consequences when setting strategy for (a) given customer'(s) necessity "to know what he expects in terms of selling"
- A supplier and a customer can operate according to several different selling-buying methods, hence the « Necessity to see the interdependencies when implementing actions at different levels
- If the role of the sales force changes, it can only become more important because where it changes the most (in networks), it has to establish, manage and build relationships.

- Many companies will have to have salesmen with a broad assignment field or, otherwise, have several kinds of salesmen; even for a same customer with different skills
- The term partnership selling should be limited to the true interfacing of companies ; however, selling to a partner can certainly include simpler kinds of selling (level 1 or 2)
- Given the cost of partnership selling, it is inevitably reserved to a limited number of cases seeing as it requires a different structure (KAM : manager + teams) and way of working (multirelational)

Limits :

- The selling situation and the salesman's specific roles obviously also depend on the type of sector, the size of the firm.
- As soon as selling becomes complex, there is no longer a seller-buyer relationship but a vast number of relationships. The purchasing groups on one hand and their processes on the other hand are far from being alike, the selling teams brought into play don't have the same qualifications, and therefore specific adaptation is required
- The higher the level of the selling situation, the more processes in progress there are with one customer, the more indispensable it is to use CRM as the salesman alone can no longer manage all of the relationships.
- The salesmen's assignments can be linked with a selling situation, but nothing can be said about the resulting ability of new salesmen
- None of the sales force's management contributions have been tackled, especially how to reconcile traditional management aspects with the necessary solution (looking for and choosing ; operational management ; links between qualifications, actions, and performance; control)

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