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INDUSTRIAL DISTRIBUTION NETWORKS TRANSFORMED: THE DISRUPTIVE POWER OF DIGITALIZATION

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INTRODUCTION

In recent years, digitalization and information technology have changed our buying behavior in numerous ways. As consumers, we increasingly go online to search for information, evaluate products, and make purchasing decisions. New digital tools are a way to streamline the processes and create opportunities for both more efficient and more customer-oriented solutions. While the transformation started mainly on the business-to-consumer (B2C) side, the change is more and more present in the business-to-business (B2B) markets. As the change continues, it has effects on B2B distribution and sales processes, where the traditional company–distributor networks have been the established way of doing things for a long time.

The use of IT solutions in inter-organizational relationships has increased during the last few decades. The majority of the articles look at these issues from the seller's side, but material also exists that looks at the buyer's side. For example, Presutti (2003) studied e-procurement and defined it as "a technology solution that facilitates corporate buying using the internet." After the intensive e-procurement/e-supply period, there has been a lot of discussion around IT/the Internet about decision making in purchasing and e-purchasing in different contexts (e.g., Centobelli et al. 2014; Walker & Brammer 2012; Gunasekaran et al. 2009).

From the seller's point of view, IT tools enable a totally new way of operating with critical parties in the distribution channel. Mirani et al. (2001) pointed out that "suppliers have traditionally managed their relationships with resellers using inefficient, fragmented, and labor-intensive communications processes." Their basic message is that multiple benefits can be received through improved efficiency and productivity but also from improving the profits by enhancing "front-office" activities. In many cases, as also in our case, this requires collaboration with distributors.

Sales Force Automation (SFA) provides digital tools for the use of distribution networks. One SFA tool is the sales configurator. These configurators play a crucial role among companies with rather complex and technical products. In these situations, it is crucial to find the best possible product and service configurations from the customer's and the company's perspectives.

Sales configurators can be used in various ways. A typical situation is where the selling company personnel use these configurators in their selling tasks. Another application is for the use of distributors when configuring products to end customers and when finalizing the product orders sent to the selling company. The most far reaching application for the sales configurators is to let the end customers define their preferences for the product attributes, thereby configuring the product by themselves. Letting the end customers be involved in the configuration process has been found to increase customer satisfaction (Huffman & Kahn 1998). At the same time, more information can be gathered from the customers (Berman 2002).

PURPOSE OF THE PAPER

The purpose of the paper is to analyze the effects of digitalization on industrial distribution networks. The main focus of the research is to analyze the effects of digitalization through digital tools, more specifically sales configurators.

The research question of the paper is: how can digitalization and digital sales tools affect the formation, structure, and development of distribution networks? To answer the question, we need to understand what kind of forces and new capabilities there are that are changing the structure of distribution networks. In our research, we are interested to see how both manufacturers' representatives and distributors' representatives see the changing roles and nature of distribution networks.

The results of the paper contribute to the existing SFA and sales configurator literature as well as to a broader discussion about the effects of digitalization in B2B business including the IMP literature.

B2B DISTRIBUTOR RELATIONSHIPS AND DIGITALIZATION

Recent studies in B2B marketing have brought attention to several issues that are highly relevant when considering our research topic. Wiersma (2013), for example, has made an extensive analysis of the B2B agenda. One of the often mentioned issues was "that their marketplaces were transforming and their business practices being reshaped." One of the trends behind this was the development of technology, e.g., implications for customer buying behavior, communications, marketing/sales automation, and innovation.

Tsai et al. (2013) state that "in the e-Retail industry a well-designed IT infrastructure is essential in creating a tightly integrated value chain and delivering high quality service." Their article concentrates mainly on information systems and technology (IST) sourcing, but the general aspect underlies the essential role of IT in retail business. This may be especially critical for e-retailers, but similar performance effects can be realized in manufacturer–distributor relationships. The relevance and need to develop IT solutions that support both efficiency and effectiveness goals is evident. Osmonbekov and Gruen (2013) state that "firms are increasingly using e-business tools to transform channel relationships in order to achieve competitive advantage." They also divide the systems into categories: 1) reseller supplied, 2) third-party supplied, and 3) manufacturer supplied. They also postulate that companies should be aware of perceived inequity in sharing benefits of e-business technology. The general assumption is often that benefits accrue to all parties due to lower costs, improved communications, streamlined processes, web-based accessibility, issues surrounding channel power, etc.

El Kadiri et al. (2015) have studied trends on ICT technologies and enterprise information systems (EIS). They present four challenges of EIS: (1) data value chain management, (2) context awareness, (3) usability, interaction, and visualization, and (4) human learning and continuous education. These issues also have to be considered in guided selling projects. In addition to typical IT systems like ERP, CRM, and maybe SFA, new concepts and systems have emerged in the discussion, such as Partner Relationship Management (PRM). Mirane et al. (2001) see these systems as "helping suppliers treat resellers as virtual extensions of internal sales teams."

The basic IMP theories as interaction approach and industrial network approach provide useful frameworks and. It seems to be that interaction approach (IMP 82, 1982) as well as network approach (Johansson et al. 1994) may provide interesting concepts to be able to look at the distributor network dynamics affected by the IT-tools. In analysing the decision environment, the basic concepts of mentioned models are very useful. The main components of interaction approach are four groups of variables (interacting parties, interaction process, atmosphere and environment) that describe and influence the interaction between buying and selling companies (IMP 82; Ford 1990).

The model of an industrial network adds to the interaction approach the knowledge that a relationship cannot be managed in isolation from other relationships, and represents a conduit to other relationships through which resources may be accessed. The model's basic classes of variables are *actors*, *activities* and *resources*. These variables are related to each other in the overall structure of networks. (Johansson et al 1994, p.153) The traditional industrial network perspective provides useful conceptual tools to look at the changes in industrial distribution network. The concepts of actors, activities and resources can be analyzed and through these the dynamics of the relationship can be captured. The industrial distribution networks are not stable and fixed but face some turbulence. From the actors' perspective both individual and organizational levels are interesting. Actors do have some capabilities and resources in order to do activities. Araujo et al. (2003) have studied how capabilities affect the horizontal boundaries of firms. In our study the critical capabilities are related to IT systems and willingness to make use of the new type of practices in purchasing and/or sales.

SALES FORCE AUTOMATION

Jobber and Lancaster (2009) identified sales force automation as one of the major forces affecting selling and sales management. Sales force automation refers to the use of technology by salespeople in their selling and/or administrative tasks (Morgan & Inks 2001). SFA can be defined as the application of information technology to support the sales function (Buttle et al. 2006). SFA means adapting technology to support the sales activities of a certain company in order to enhance their sales process.

An SFA system is often part of an enterprise-wide information system that integrates sales activities with the information systems across the whole organization (Barker et al. 2009). Therefore, SFA is vital for the whole organization. SFA promises to free salespeople from their compulsory time-consuming administrative tasks in favor of relationship-building tasks that better suit the skills and abilities of the sales force (Eggert & Serdaroglu 2011).

An SFA system can provide dozens of different functionalities. However, an organization rarely utilizes all of the functionalities possible as the structure and functionality of an SFA system may differ somewhat depending on the service provider and the industry for which the SFA system is adopted (Geiger & Turley 2006).

According to a study by Widmier et al. (2002), sales force automation technology is being used the most for the following activities: contacting management (84.6%), generating proposals (81.9%), and scheduling (70.2 %). The percentage shows the percentage of the companies involved in the study using their SFA system for that specific function. On the other hand, the technology was used the least for automated sales plans (23.9%), geographic sales route planning (26.1%), and (3) qualifying the customer (29.3%) (Widmier et al. 2003). Buehrer et al. (2005) also obtained similar results regarding the use of SFA systems in their own study. Jelinek (2013) also emphasized that one of the most important functions in SFA technology is contact management, also cited as opportunity management. In addition, Jelinek (2013) introduced the marketing encyclopedia, sales configurator/quote generator, and sales management and analysis systems as important functionalities in SFA systems.

A different view for the functionalities of SFA systems was introduced by Morgan and Inks (2001). According to Morgan and Inks (2001), common SFA applications include contact management, enhancement of sales presentations, automation of administrative tasks, strategic information exchange throughout the organization, and computer-based training. Morgan and Inks clearly had a more organizational level way of thinking regarding the use of SFA systems. This view was also shared by Speier and Venkatesh (2002), who discuss how SFA may include tools such as real-time access to product/competitive information, product configurators, real-time collaboration, and information sharing, including electronic ordering and order tracking.

To take the analysis of SFA functionalities even further, Barker et al. (2009) offer a view of organizational and individual functionalities. According to Barker et al. (2009), SFA systems include sales activities, order processing, customer management, sales forecasting and analysis, sales force management, and information sharing. The functionalities for individuals include electronic calendars, integrated customer data-bases, data of the history of customer sales, product and inventory information, automated distribution and management of sales leads, and order entry capabilities (Barker et al. 2009).

As can be seen, the functionality spectrum provided by SFA systems is very wide. It appears that many researchers may have included functionalities that are provided by many other applications or systems as well. For example, many of the functionalities described above could very well also be functionalities of a CRM system. Nevertheless, a summary of SFA functionalities is presented in table 1. The summary is adapted from the studies of Buttle et al. (2006), Widmier et al. (2003), Buehrer et al. (2005), Jelinek (2013), Morgan and Inks (2001), Speier and Venkatesh (2002), and Geiger and Turley (2006).

TABLE 1: SFA SOFTWARE FUNCTIONALITY.

Contact and management	Lead/opportunity management
Scheduling	Product configuration and visualization
Account management	Real-time information exchange
Event management	Sales management
Order and contract management	Sales analysis
Document management	Sales forecasting
Marketing encyclopedia	Territory management
Incentive management	Work-flow and process development
Automation of administrative tasks	Proposal generation and enhancement
Computer-based training	Quotation management

From Table 1, the wide range of SFA functionalities can be seen. However, it must be recognized that organizations do not use SFA systems for all of these functionalities, probably for only a minor part of them. Every organization has different processes and procedures to which SFA systems will be included. SFA is only a part of an organizations' information system, and many of these functionalities can be performed by other applications or software. In the end, however, the functionality for which the employees of an organization actually use SFA is what determines the benefits realized, as salespeople typically use only a fraction of the available SFA functionality (Eggert & Serdaroglu 2011).

SALES CONFIGURATORS

Mittal and Frayman (1989) define "configuration" as "a special type of design activity, with the key feature that the artifact being designed is assembled from a set of pre-defined components." With that consideration, Zanker and Tiihonen (2008) state that a configurator creates valid configurations of a requested item based on the given criteria and limitations to ensure compatibility and customer requirements.

Although sales and product configurators are frequently used as interchangeable, they can have different meanings. Pimiä (2002) states that "a sales configurator is a product configurator

adapted for the needs of sales personnel". It is software, an independent application, or a part of another one, such as ERP, CRM, or Product Data Management (PDM), that helps the sales force in the creation of a quotation. Then again, Kopra (2003) identifies three entirely different usage scenarios for a sales configurator application: (1) internal use by a sales person to create quotations, (2) dealer use of the application, and (3) direct external use by end-customers.

According to Haag (1998), a sales configuration is a high-level configuration in which an external user, usually a sales person or a customer, interacts with an application to make a creative decision on the offering. Kopra (2003) argues that, more often, the customer accesses the configurator through the Internet to generate a configuration detailed enough for automatic quotations. More recent studies, such as that of Abbasi et al. (2013), support this claim and note that the configurator offers a graphical user interface (GUI) for the customers to guide them through the entire process. During this process, the configurator verifies the feasibility of a configuration and handles possible conflicts (Abbasi et al., 2013).

In addition to the basic benefit of the configurator, which is a product that fits the customers' need, research shows that customers can attain value from experience related benefits (Trentin et al., 2014). According to (Trentin et al., 2013), other customer related benefits of sales configurators in business-to-consumer markets are (1) benefit-cost communication, (2) user-friendly product-space description, (3) easy comparison, (4) flexible navigation, and (5) focused navigation. In an empirical study, Baharati and Chaudhury (2006) found that both system and information quality influence the user satisfaction of sales configurators.

Certain factors need to be considered in the creation of sufficiently detailed quotations. Kopra (2003) explains how the configurator is a front-end application that uses data from back-end applications, such as product data management (PDM) and enterprise resource planning (ERP) systems. Examples of data taken from back-end applications include customer data, sales item data, and availability information (Kopra, 2003).

The goal of a configuration is that each variant is functional, technically feasible, and satisfies the customer's needs as well as possible. Haag (1998) emphasizes that the primary target is that it supports the variant search process, without forgetting the integration to business processes. Despite a wide use of sales configurators, Abbasi et al. (2013) argue that there is not a consistent body of knowledge regarding their engineering. These lead to expensive development and maintenance of the configurators.

If properly integrated, sales configurators can bring various benefits to the companies that use them. Abbasi et al. (2013) claim that the ability to offer customized products at the same cost and delivery rate as generic ones is essential to being competitive. Tiihonen et al. (2013) argue that this allows companies to adapt customizable products for individual customers efficiently. It is noteworthy that because of their pre-defined variations, both of these studies, in addition to the one by (Kopra, 2003), are of the opinion that most of the benefits of sales configurators can be achieved if the products are mass customized.

Sales configurators are not used exclusively to create product variants that can be offered. Kopra (2003) highlights that configurators can also be used to facilitate key features of a sales system: pricing, bundling, catalogs, document generation, and order functions. Palonen (2003) argues that they can also cut down the lead-time in the sales-to-delivery process and make the quotation process more uniform. Ershov et al. (2012) state that the quotation is one of the most time consuming steps in the process of winning an order. Quotation process can be optimized by reducing the quotation costs and identifying the customers' needs better. In the quotation process, a rough dimensioning of the offering needs to be made before a price estimation can be created. (Hvam et al., 2006) argue that if the quotation-to-order ratio is low, there is a tremendous potential in improving the efficiency, either by improving the ratio or the costs affiliated with the process. The more complex a product is, the more engineering needs to be

done before a profitable quotation can be given, thus increasing both the costs and the time consumed (Hvam et al., 2006).

SAMPLE AND METHOD

The research data was gathered from semi-structured interviews in five Finnish industrial companies. The paper analyses 38 interviews that are coming from a dyadic company – distributor context. The in-depth interviews were conducted in 14 different companies (5 focal companies and 11 distributors). At this point of research, the dyadic company-distributor interviews come from three industrial case companies, where two of them were offering goods and services in the field of electronics industry, while one was a machine manufacturer producing equipment used mainly in construction industry. In addition, two workshops aimed at the professionals, were also arranged around the research topics.

Companies operate in businesses where the end-products are complex and modular. All the companies operate on global markets. Configuring is often required based on the customer needs. The case companies differ in their reliance on distributors. One company sells nearly all of its products through resellers. Two of the companies make approximately half of their sales through resellers. One company makes only a small part of its sales through resellers.

The electric components companies sell products that are clearly configurable, and this task is critical to satisfy end-customer needs. Still, many of the products are off-the-shelf products. In these cases, the configuration is done by the distributor, the manufacturer or a collaboration of both.

In addition to the qualitative data, we collected a limited amount of quantitative data about the aspects that various partners deem important in guided selling and buying with the help of a configurator.

In the focal company interviews (N=25), the interviewees were from sales and marketing, IT, production/quality services, product support and general management. In the smaller companies, the number of interviewees is significantly smaller than in the larger companies. The titles of the interviewees were general manager, sales manager, export assistant and IT manager. The interviews lasted from 34 to 90 minutes with the average lasting 60 minutes. The majority were conducted face-to-face, but about one-third of the interviews were done using Lync or by telephone. The distributor interviews (N=13) were also performed with a semi-structured frame of themes, and in these interviews, the interviewees were mostly product managers responsible for the studied category. In some cases, general managers were also interviewed. The distributor interviews lasted from 37 to 112 minutes 57 averaging minutes. Both focal company and distributor interviews were recorded and transcribed in order to gain insights to be used in the research.

The dyadic scope of the research can be seen from figure 1. The selling company (focal companies) and the buying company (distributors) are in the main focus of the study. The figure also illustrates the different information systems used regarding guided buying and selling.

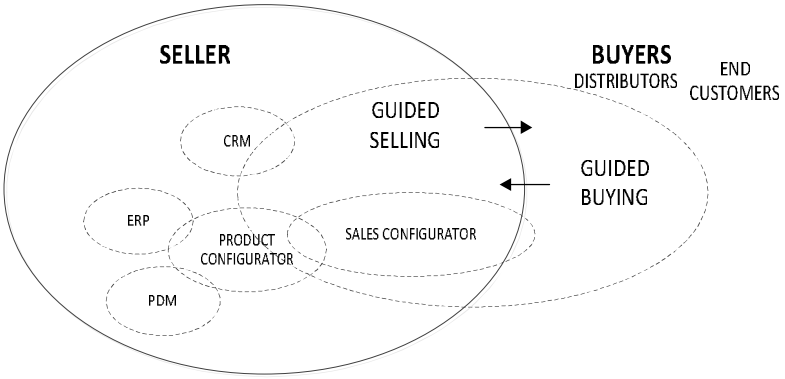

Figure 1. The setting of the study and IT systems

In this paper, we examine three buyer–seller dyads in companies. Here the buyers are in the role of distributors. In these studied businesses distributors play a central role in the delivery chain and in configuring the end-products according to customer needs.

RESULTS

The case companies' representatives saw the development of the guided selling positively and saw many possible benefits from the use of the IT tool. The process itself enables the development of business processes and more effective results in the whole distribution channel. It was seen that the end-customer would also benefit from more systematic configuration in the sales process. The nature of the tool as a check-list of important issues in the sales process was often mentioned. Other widely mentioned benefits were the increase of product knowledge and many operational benefits. When the product information is presented in a customer-friendly manner, cognitively it is more accessible. The importance of presenting technical and product information in an accessible way is particularly important in the cases where the complexity of the products is great. There were examples where companies need to go through the technical details of the order iteratively.

"Someone who does not know the products so well could still make the configuration so that solution is a functioning product."

As with the selling company, the distributor would benefit from the increased information coming from the customer needs, market distribution, and market potential. The benefits could come to all parties through to this more transparent chain from the end-customer to producer. Easier and more efficient handling of orders is yet another benefit to the selling company. In many cases, the interviewees saw that the most obvious benefits come from more efficient operations. Sometimes there was said by the distributors that the most of the benefits would be for the supplier's side.

"It is useful for you guys…"

"The distributors could see easily in the offering phase what is their profit when including different features into the offering. They would see if it's useful to customize the products (if customer is not wishing it)."

"If for example you buy a machine with some additional features the system would help you to specify the configuration correctly and you would avoid difficult negotiations when adding the features afterwards"

There was also a difference between the companies that were already using sales configurator or electronic purchasing from the case suppliers. These companies were able to give positive and also critical feedback from the functionalities and usability of the systems.

On the other hand their opinions may have been “fixed” on the current experiences and it was difficult to get more visionary ideas for the systems development.

If we look at the differences among different businesses and different distributor types we can make several notions. The nature of the distributors in the different cases changes a lot. In fact the metal product distributors are actually rental companies working at construction businesses managing a fleet of machinery that is primarily used at construction sites. The business of these companies is renting and servicing the machinery to enable a smooth work flow at the construction site. Some of the rental companies are large, but some are much smaller, local companies. In general, the ability to make use of IT is greater in the larger companies which manage bigger fleets and have more employees at their headquarters. Smaller companies have developed their own practices to support their operations. In purchasing practices, the division of work is similar, but the larger companies have more professional support and more rules and procedures set by the company policy. Smaller companies improvise more and most of the decisions are made by a few senior executives.

At the rental companies was often brought up the benefits in after sales and life-cycle of the machines. If the system could provide exact information about spare parts for a specific machine and information e.g. user guide and service guide in many languages. It was also mentioned that construction sites could be interested in design aids to the sites. In the more expensive products it could be useful to see and get information from the life-cycle costs. In the construction machine business it was mentioned that these firms are not the most advanced in using IT in their business. In many product categories there are also a limited number of possible suppliers. We asked for example about the use of CRM-systems and got an answer: “why should we, I have three numbers in my phone”.

The distributors’ benefits can be drawn together from the idea that the configurator tool would make their lives easier and support their business goals. Resellers are quite often the parties that influence the configurations suggested to the end-customers. A digital configurator could make ordering easier and faster and support the sales work. Someone could obtain statistical data from the sales and technical data about the products sold and their profitability, for example. Distributors could also enhance their learning about the products, as well as the end-customer needs. Two of the benefits would be a clear view of the total offerings and an easier comparison among the different solutions.

When considering the pressures to transform the operations the interviewed rental company representatives saw that their role and position will remain largely the same as before. The role and division of work is largely staying as it is. The IT capabilities and tools will help some operations but are not changing the business logic in a radical way. Our distributor interviews were done only in Finland and the material discusses mainly this market area. We received some indications in internal interviews that market areas are highly different. At some markets there is not as important role of rental companies and willingness and active use of IT and modern information sources (social media) differ a lot. Also the views how things will be changing in the future varied a lot. Some interviewees saw that there will be changes in the buying patterns and practices as others saw the conservative business staying as it is.

The electric company distributors can also be divided to smaller and larger companies, but also they can be further divided into specialized and general distributors. One challenge in the general distributors’ case is that they have a large number of product categories and suppliers; the tools provided by the suppliers are also numerous. The tools need to show obvious benefits to be used. When there is a long history of individual collaboration, the tools are not that important. Still, it was mentioned that systems that clearly support better business are welcomed. Here the needs from general distributors and specialized distributors may be slightly different. In the case where there are new personnel at distributors, this can have multiple benefits. The system can help the product manager increase product knowledge. In fact, both

distributors' and end-customers' knowledge could be increased to support the business. Tool could provide a useful checklist in configuring the solutions. It also enables effective communication between supplier and distributor because configurations are done in a systematic manner. It also can be used to support sales if it includes visual material (e.g., product pictures or videos), technical documentation and price information. Also in the case of electric distributors the after-sales support was seen as a potential benefit from the system. It would support the service and maintenance functions and could also be used as important information in sales and marketing.

In both machine and electric cases it was clear that in the most complex cases including customization and complex solutions the expertise of the manufacturer is needed. In these situations also there is often need for face-to-face contacts maybe including all parties; distributor, end-customer and manufacturer. The use of configuration tools is supported in the middle of the continuum off-the-shelf products and fully customized solutions. The view was rather similar in internal interviews where the salesmen saw that this may effect on their work but would not outplay the need for their personal expertise. This is supported by the comment when discussing the role of face-to-face contacts:

"No configurators or IT systems can replace it."

In many cases the technical complexity of the products make it diffucult to rely on the configurators or IT solutions. The human interaction and deeper knowledge is often needed to convince and find the best solution for the end-customer need.

"Isn't it easier to buy when you know what you are buying."

The use of IT and changing current operations is quite challenging within the manufacturing companies. There are different fears and change resistance that make the new solutions hard to implement even inside to manufacturing companies. It was also mentioned that the challenges can be even greater when heading towards external companies. At least the company cannot force the partners to use the systems:

"Change is a very difficult thing to us and breaking the change resistance. We should look forward and develop things evenhough it is difficult"

When talking about the changes in the distribution channel in the internal interviews the general opinion was that tools have to be developed in order to keep the competitive edge in the future. There were huge differences among the current distributors and in their IT

"I don't see it possible with current customers, but I know that things will change."

"If we want to be an active and modern company, digitalization is a must. World has developed to this direction and if we don't follow this development we are definitely out!"

"They have (distributors) quite old and extensively built Excel-tool but they don't even want to use that. Don't even want to discuss about it (laughing)"

The roles and positions of different companies in the distribution network may change and there may be conflicting interests.

"We try to handle things so that we are not fishing at the same place with the manufacturer. If there is a mutual customer the manufacturer deals with larger projects and we'll manage the daily needs."

The distributor's perspective is critical in most of the case companies. The new tools and active use of modern IT is seen partly as a possible way of developing the distribution network. Many of the old ways of working are still working fine, but there has to be an ability to see the future development and changing buying patterns. There is not a great risk of radically losing the business at short term but in the long term also this can happen. On the other hand, by implementing new tools and innovative ways of presenting offering new customers and new geographical areas can be found.

DISCUSSION AND CONCLUSIONS

The results identify new capabilities and resources needed in the distribution networks. New digitalized processes can be used as a way to re-assess the functions and efficiency of the current distributors. Implications on distribution network formation and development are addressed. Successful guided selling implementation at the focal company as well as distributors can result benefits from two directions. The end-customer receives a better solution for the need and the operations are more efficient. Our results indicate that there are significant differences among the distributors in their willingness and abilities to use new IT supported solutions in their business. This depends on the persons' opinions and companies' IT capabilities.

The results show that the selling company representatives perceive many possible benefits when using a configurator in buying and selling complex configurable industrial products. Sellers recognise that end-users can have a better view of the product and service offerings, regardless of the time and place. From this kind of experience, they also gain deeper understanding and enhanced learning of the products and their possibilities to support their own businesses. With this increased knowledge, the buying companies can have a better picture of their actual needs and even develop their processes. The benefits are mainly associated with information and learning but also with operative effectiveness as it may support faster and error-free deliveries. The use of the system enables also the check list for the product to fit into end-customers' needs.

In conclusion at this point of the research, there are a lot of potentials and possible benefits to different parties in guided buying and selling. The idea of optimising the value of the end-customer, distributor and manufacturer at the same time is feasible as well. There are multiple ways how this new tool requires resources and changes the activities inside the firms as well as in inter-organizationally. Nonetheless, in many cases, numerous possible pitfalls can cause troubles, such as the usability of the system for different actors and the possible effects on the power positions in the supply chain.

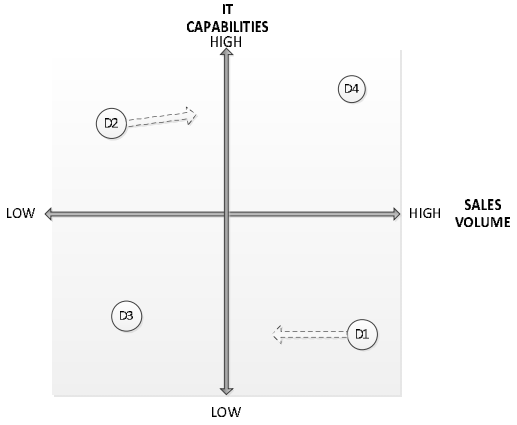

FIGURE 2. POSSIBLE CHANGES AT THE DISTRIBUTORS

Figure 2 present a possible development of different distributors. In the transformation where digital tools are actively used and new routes to markets are found the development can be as the winning distributor D2. Too conservative distributor may lose their position in the chain. The level of IT capabilities in the company are in a critical role in this transformation.

In general the environment and atmosphere in B2B purchasing is changing and the new IT tools both enable changes and on the other hand can be effectively used when responding to changes. Different actors' roles and activities are changing and information can be gathered more intensively from the end-customers and distributors.

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