An examination of sales interactions with prospects with various knowledge levels

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Abstract
Increases in the digitization and electronic delivery of product and sales information has allowed industrial buyers to conduct extensive research without the aid of face-to-face interactions with salespeople. As such, Salespeople often enter sales interactions when their prospects have significantly more information than ever before. This paper examines some key differences in how salespeople interact with customers in situations where they are trying to add value and/or gain agreement when customers have high levels of information compared to when they do not. A qualitative and exploratory Critical Incident Technique (CIT) methodology is utilized. Findings suggest that while salespeople interact with customers with varying degrees and accuracy of supplier knowledge, many salespeople may be ill equipped to adapt and alter their sales strategies accordingly.

Introduction
The rapid advancement in technologies that aid both salespeople and industrial buyers has dramatically increased access to valuable partner information. Using customer relationship management (CRM) systems, sales organizations have been able to mine customer information allowing them to both differentiate themselves by providing enhanced value to their customers and leverage this information to create value for their firms (Tanner Jr et al., 2005). Subsequently, and perhaps more notably, buyer's access to product and market information has allowed them to become product experts in their own right; and this has dramatically reduced their dependence on the information they once received from salesperson interactions (Moncrief, 2017). This shift has led many Marketing and Sales scholars to rethink the sales process (Plouffe et al., 2013, Rapp et al., 2014), the role of salespeople and functions within sales organizations (Moncrief, 2017), and the elements of valuable salesperson-customer relationships (Marshall et al., 2012).
Buyers, increasingly armed with an abundance of product and market information, require salespeople to interact with them differently in order to be effective and add value. Specifically, when a salesperson identifies a customer with little or no product knowledge, he or she may revert to a traditional sales process consisting of needs analysis and disseminating high-value, persuasive, customer centric information. More often, salespeople are entering into sales conversations with highly informed prospective customers. However, these prospects may or may not have accurate and complete information, and/or they may be making inappropriate conclusions based on their current understandings. Thus, we see salespeople today having to alter their communication objectives and their interactions based customer knowledge.
Thereby, the purpose of this research is to examine salesperson interactions across three customer scenarios. Specifically, it examines how salespeople interact with customers who have deficiencies in their knowledge to make a vendor or product choice. It examines how salespeople interact with customers who have significant knowledge but critical elements of that knowledge is inaccurate. It also examines interactions with customers with significant knowledge but are focusing on the wrong factors or are drawing the wrong conclusions. Arguably, there is nothing altering the discipline of sales like advances in the availability of information and information sharing (Marshall et al., 2012, Moncrief, 2017). This manuscript contributes to the sales literature by examining how salesperson interactions differ with prospective customers who vary with respect to the information and knowledge they possess.

Literature review
Business to Business (B2B) sales transactions make up 42% of overall economic activity in the United States (Lilien, 2016). Despite the large scope, B2B sales are underrepresented in academic research, and large swaths of B2B behaviors remain unknown (Lilien, 2016). In B2B sales, the exchange and sales processes are remarkably complex and constantly influenced by a broad variety of internal and external factors (Liu et al., 2015). Recently, digitalization has transformed the B2B marketplace and it

will likely continue to disrupt and alter sales strategies and behaviors. Additionally, e-commerce levels have exploded, and huge varieties of information are now available at the click of a mouse (Mora Cortez and Johnston, 2017) further altering when salespeople interact with customers and the effectiveness of the sales processes they employ.

Traditionally, the sales process has been represented by seven distinct steps (Moncrief and Marshall, 2005). Dubinsky (1981) contended that the steps include prospecting, pre-approach, approach, presentation, overcoming objections, close and follow-up. Moncrief and Marshall (2005) argued that an evolved sales process had usurped the traditional sales process. The evolved process includes customer retention and deletion, database management, nurturing the relationship, marketing the product, problem solving, adding value/satisfying needs and customer relationship maintenance. Today, with the success of consulting firms exposing the efficacy of various sales strategy altering sales processes (e.g., the Challenger Sale), contingency models seem to be the norm where processes differ with respect to the selling situation (Rapp et al., 2014, Adamson et al., 2012).

Despite disruptions and systemic changes, still inherent within B2B sales is a notion of a dual value co-creation process between the buyer and the seller (Dixon and Tanner, 2012). Value creation contains three distinct elements: determining the value that the company can provide to its customers, determining the value that the company can receive from the customers, and the successful balance of this value exchange involving co-creation and the maximization of long-term value propositions (Payne and Frow, 2005).

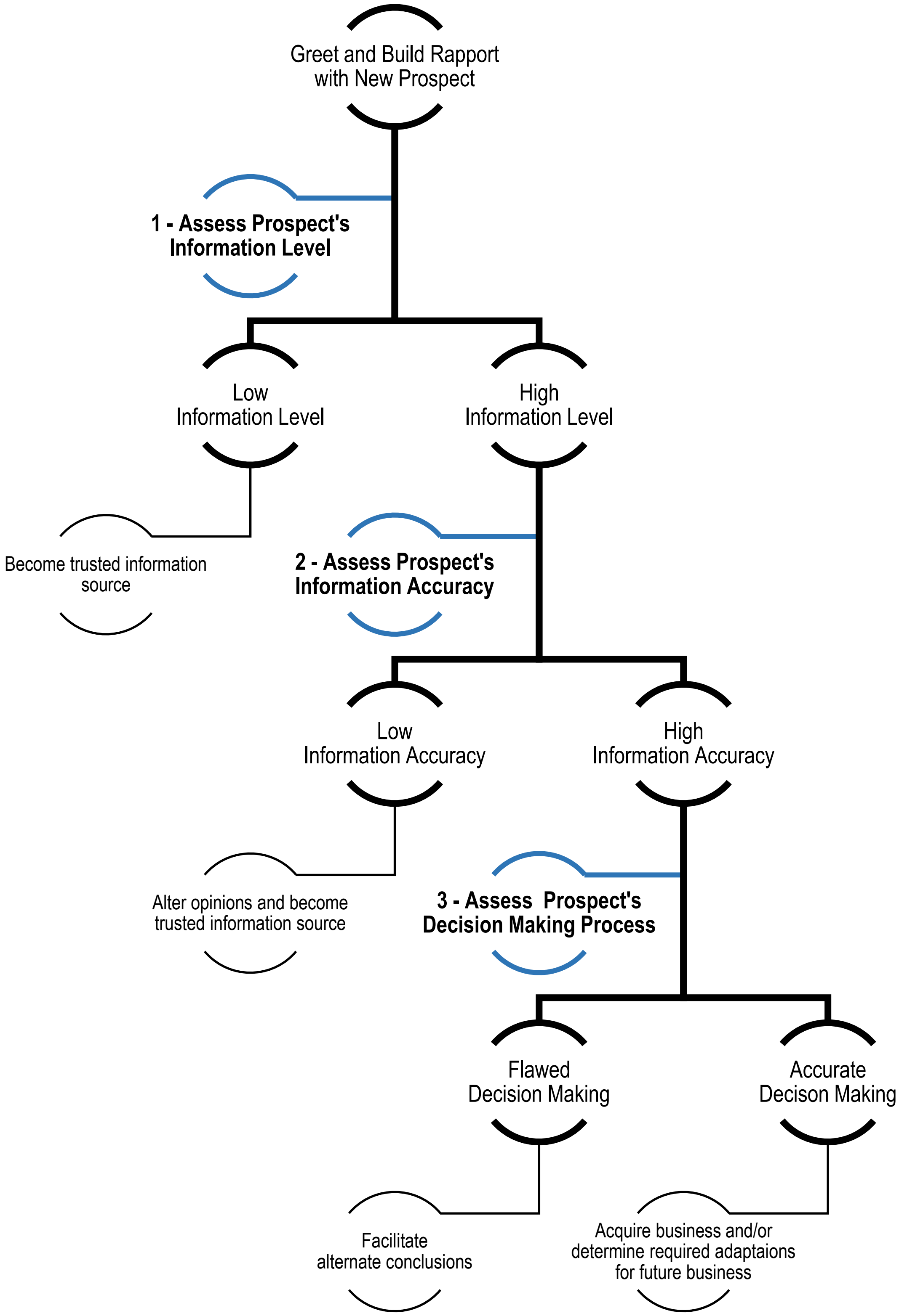
Similarly, the relationship marketing literature congeals in the sense that it agrees upon fundamental principles; specifically, that mutual value creation, trust, and commitment will lead to relationship satisfaction, ultimately leading to customer loyalty (Chumpitaz Caceres and Paparoidamis, 2007). The perceived level of salesperson credibility is a salient and overriding component of sales satisfaction and overall value (Liu and Leach, 2001). A successful B2B salesforce understands and responds to the unique characteristics and needs of their customers by focusing on relationship quality, which is a highly dynamic construct composed of trust, commitment, satisfaction and service quality (Rauyruen and Miller, 2007). The most fruitful B2B relationships include collaborative communication structures, strong compatibility, and high commitment and confidence levels (Derrouiche et al., 2010). Communication apprehension and interaction involvement are two relational communication traits, and a low level of communication is an antecedent for both adaptiveness and sales performance (Boorom et al., 1998)

In sum, recent shifts in the business-to-business marketplace and the proliferation of high-quality information sources available to buyers has likely altered how salespeople deliver value. Thus, the current research examines salesperson interactions in order to explore the impact of buyer information on a sales process. Specifically, this research will examine how salespeople adapt to prospective customers and alter their sales process based on the amount and quality of information held by the customer.

When approaching a customer, salespeople often assess where customers stand within a buying process (Ulaga and Kohli, 2018). Part of this assessment should be a determination of how much information a prospective customer has already acquired, the quality of this information, and how the prospect is utilizing this information for decision-making. As such, salespeople can utilize a contingency framework to segment customers based on information and knowledge level criteria, subsequently, alter and adapt their sales strategies (Holmes et al., 2017).

We propose one such contingency framework to help guide this research (see Figure 1). This framework predicates itself upon salespeople assessing knowledge in the following three areas. Does the customer have significant information about products and the market to make an informed purchase decision? If so, is the information held by the customer accurate? Thirdly, when a customer has adequate correct information, is the customer using the information accurately for decision-making? These three nested assessments should arm salespeople with insights enabling them to adapt selling strategies and improve sales outcomes (Chakrabarty et al., 2010).

Figure 1. A Framework for Salesperson Assessments of Customer Information Needs



These assessments identify three distinct types of customers: those that require information, those that have inaccurate information, and those who are making flawed decisions. For customers requiring information, sales strategies may follow established processes of identifying needs and providing solutions with the aim of becoming a trusted advisor. For customers in one of the other situations where customers already possess significant levels of information, traditional consultative sales processes may neither be appropriate nor lead to desired outcomes. In these situations, salespeople are required to alter opinions and believes as well as facilitate alternatives. In effect, salespeople must illustrate, demonstrate, and/or educate customers on how and why they are misinformed and/or just wrong. As such, skills related to persuasion, handling resistance, and being diplomatically challenging may become more important to salespeople in these situations.

Customer access to significant and increasing levels of product and market information make it inevitable that salespeople will face fewer customers requiring information, and more customers who will likely have inaccurate information or are making inaccurate decisions. Because little research has been conducted specifically examining these scenarios, we aim to explore how salespeople adjust to these situations, what sales strategies they employ, and what they do differently. Salespeople are often reflective; visualizing and ruminating on past successes and failures in attempt to improve strategies and become increasingly efficient and effective (Brown et al., 2005, Bagozzi, 2006). As such, we are also interested in examining salesperson self-assessments of their customer interactions and using these to explore differences in selling strategies.

Thus, our research questions are: (1) how do salespeople alter their sales strategies when interacting with customers of various levels of product information and market knowledge, and (2) what are the tactical differences between salespeople with positive and negative self-assessments of their sales strategies. To examine these questions, we utilize an exploratory qualitative Critical Incident Technique (CIT) research methodology that we present in the following section. Next, we present findings and specific insights. We conclude with a discussion of our findings' theoretical implications as well as implications for practice.

Methodology

Critical incident technique

A goal of this research is to capture and analyze sales strategies and tactics across three specific sales situations, and determine how salespeople are navigating a potentially pervasive phenomenon. To better capture this knowledge, we conducted critical incident technique (CIT) based interviews; developed by John Flanagan (1954) the CIT collects rich descriptions of specific incidents in order to facilitate solving practical work and industry problems. An incident is any activity that allows inferences and predictions to be performed, an incident becomes critical when the purpose of the activity is clear and its consequences definite (Flanagan, 1954).

The CIT is based upon the usage of observations or interviews that discover overriding themes and patterns. The CIT is useful because it is largely culturally neutral and because of its inductive capacities; the CIT allows for a greater focus on context, as it focuses participants onto an incident and fosters a targeted dialogue at the intersection of events, behaviors and meanings (Bott and Tourish, 2016). The CIT is especially useful for marketing researchers when they wish to understand a specific marketplace behavior (Shen, 2014) and has previously been utilized in both sales (Liu et al., 2016) and service provider (Beatty et al., 2016) research contexts.

Sample and data collection

A convenience sample of one-hundred and thirty business-to-business salespeople mostly from the Rocky Mountain region of the American West provided interviews for this study. This produced a sample with a large degree of variability in the type of products and services salespeople provided (see Table 1). Each interview was conducted person-to-person, and each was recorded and subsequently transcribed. Individual salespeople could describe sales interactions across three specific situations (i.e., incidents): first, how salespeople interact with customers who have knowledge deficiencies. Second, salespeople reported on interactions with customers who have significant knowledge, but the knowledge contains significant inaccuracies. Third, salespeople reported on interactions with customers with significant (correct) knowledge but were making decisions based on this knowledge that were flawed or irrational (e.g., looking at initial versus total cost of ownership, taking a short-term perspective, overemphasizing attributes). As such, the interviews generated 328 critical incidents. An interview guide facilitated the collection of the critical incidents and allowed for some standardization of the data. Each interviewee was asked about selling situations where he or she "approached a prospect" in each of the three incidents of interest. If they could recall an incident, they were asked to "describe the situation completely". Probing questions ensured the capture of information specific to the following areas: the type of customer organization, the importance of the prospective customer to the salesperson, the salesperson's main strategies for obtaining their sales objective with this prospect, specific sales tactics used, and the outcome. Furthermore, probing questions also assessed salesperson reflections pertaining to if he or she believed they did the right things during the sales interaction and in hindsight what they would have done differently.

Table 1. Sample Characteristics

Gender		
Male	97	75%
Female	33	25%
Average Age	42	(sd=14)
Education Level		
High school	10	8%
Some college	22	18%
College/Trade school graduate	79	65%
Professional Degree	10	8%
Average Years of Sales experience	17	(sd=13)
Primary Products Sold		
Industrial products	134	41%
Goods for resale	97	27%
Business services	105	32%

Analysis

Coding rules were developed for the following variables: demonstrating expertise, demonstrating expertise using hard data, demonstrating expertise using internal experts, demonstrating expertise using external experts, demonstrating expertise by highlighting personal experience, providing valued insights, acknowledging sensitivities addressing product differentiators, helping navigate alternative solutions, addressing avoiding pitfalls, demonstrating customer advocacy. After ratting guidelines were developed two trained raters coded interviews. Interrater agreement was measured using a percent agreement statistic as well as the coefficient of agreement, kappa (Grayson and Rust, 2001) and found to be within an acceptable range. This content analysis and consequent coding facilitated the analysis of differences among the three selling scenarios as well as between salespeople who believed they utilized appropriate strategies and tactics and those that did not. This analysis utilized the chi-square difference statistic with a Bonferroni adjustment for examining multiple comparisons (Larzelere and Mulaik, 1977). Thus, while this study is exploratory in nature, below we present findings that are both qualitative and descriptive in nature as well as quantitative.

Findings and Results

Surprisingly, salespeople in our sample did not report altering their sales behaviors dramatically across the three selling scenarios. We expected to see salespeople in situations where they needed to address information inaccuracies or flawed decision making to utilize experts and evidence differently. Likewise, we expected them to be more apt to be have more conversations about alternative solutions, how to avoid pitfalls, and focus more on product differentiators than those in selling situations where customers didn't have significant knowledge. We did not find these differences (Table 2).

We did find that when customers had limited product knowledge, salespeople were more likely to provide insights than when customers had information ($\chi^2_{(2,328)} = 14.85$, $p<0.01$). Specifically, 87% of salespeople reported something coded as providing insight when dealing with customer with information needs, compared to 77% with incorrect information, and 66% with customers with flawed decision-making. Salespeople were also more apt to report demonstrating expertise in the needing more information situation ($\chi^2_{(2,328)} = 18.07$, $p<0.01$) with 90% reporting that they demonstrated expertise compared to 77% and 66% respectively.

Table 2. Findings Summary

	Sales Scenario			
	Customer Needs Information	Customer has Inaccurate Info’	Customer Decision Making in Flawed	□^{2} (df)
Believed he/she did the ”right things” on the call	92% (97/106)	77% (84/109)	74% (84/113)	11.86 (2) **
Reported Demonstrating Expertise	90% (95/106)	77% (84/109)	66% (74/113)	18.07 (2) **
Utilized Hard Data	48% (46/95)	44% (37/84)	41% (31/74)	0.77 (2)
Utilized Internal Experts	16% (15/95)	14% (12/84)	7% (5/74)	3.38 (2)
Utilized External Experts	13% (12/95)	11% (9/84)	10% (7/74)	0.44 (2)
Highlighted Personal Expertise	73% (69/95)	58% (49/84)	61% (45/74)	4.53 (2)
Reported Providing Valued Insights	87% (92/106)	77% (84/109)	66% (73/113)	14.85 (2) **
Reported Acknowledging Sensitivities	15% (16/106)	26% (28/109)	18% (21/113)	3.96 (2)
Reported Addressing Product Differentiators	47% (50/106)	47% (51/109)	37% (42/113)	2.90 (2)
Reported Helping Navigate Alternative Solutions	11% (12/106)	13% (14/109)	17% (19/113)	1.50 (2)
Reported Addressing Avoiding Pitfalls	29% (31/106)	27% (29/109)	32% (36/113)	0.74 (2)
Reported Customer Advocacy/Benevolence	23% (24/106)	35% (38/109)	30% (34/113)	3.93 (2)

* $p < 0.05$, ** $p < 0.01$

As expected, when asked if they had done the “right things” to reach their selling objectives with the customer, salespeople were significantly more confident that they had when they were being knowledge providers and working with customers with information gaps ($\chi^2_{(2,328)} = 11.86$, p<0.01). In our sample, 92% of salespeople felt like they did the right thing when engaging the customer in situations where customers needed information. Conversely, only 77% felt that they did when working with customers with inaccurate information, and 74% believed they did the right things when dealing with customers making flawed decisions. Thus, is appears that salespeople are more confident in their abilities with some customers than others. Further exploring these situations, we examined differences between salespeople who believed that they did the right things and those who did not. We examined these differences for situations when salespeople are working with customers who have inaccurate information, and when they are working with customers making flawed decisions (Table 3).

For salespeople interacting with customers with inaccurate information, several differences were found between salespeople who believed that they did the right things and those who did not. Specifically, compared to those who felt that they did not execute correctly, salespeople who did were found to have been more likely to demonstrate expertise ($\chi^2_{(1,109)} = 87.54$, p<0.01), provide valued insights ($\chi^2_{(1,109)} = 44.18$, p<0.01) and address product differentiators ($\chi^2_{(1,109)} = 9.35$, p<0.01). Thus, salespeople may be adequately assessing their behaviors during these interactions, as these differences appropriately distinguish the correctness of one’s selling strategy

For salespeople interacting with customers with making flawed decisions, again, several differences were found. As was the case above, compared to those who felt that they did not execute correctly, salespeople who did were found to have been more likely to demonstrate expertise ($\chi^2_{(1,113)} = 59.25$, p<0.01), provide valued insights ($\chi^2_{(1,113)} = 32.90$, p<0.01) and address product differentiators ($\chi^2_{(1,113)} = 9.13$, p<0.01). Additionally, they were also more likely to acknowledge sensitives of the situation ($\chi^2_{(1,113)} = 3.52$, p<0.05), address avoiding pitfalls ($\chi^2_{(1,113)} = 5.87$, p<0.05), and show customer advocacy ($\chi^2_{(1,113)} = 7.23$, p<0.01). Again, these differences seem to suitably distinguish the appropriateness of a selling strategy given the customer situation.

Table 3. Salespeople Who Believed They Did the Right Things

	Sales Scenario					
	Customer has Inaccurate Info'			Customer Decision Making in Flawed		
	Did Right Things	others	χ^2	Did Right Things	others	χ^2
Reported Demonstrating Expertise	97% (82/84)	8% (2/25)	87.54 **	86% (72/84)	7% (2/29)	59.25 **
Reported Providing Valued Insights	92% (77/84)	28% (7/25)	44.18 **	80% (67/84)	21% (6/29)	32.90 **
Reported Acknowledging Sensitivities	30% (25/84)	12% (3/25)	3.18	23% (19/84)	7% (2/29)	3.52 *
Reported Addressing Product Differentiators	55% (46/84)	20% (5/25)	9.35 **	45% (38/84)	14% (4/29)	9.13 **
Reported Helping Navigate Alternative Solutions	13% (11/84)	12% (3/25)	0.02	19% (16/84)	10% (3/29)	1.17
Reported Addressing Avoiding Pitfalls	30% (25/84)	16% (4/25)	1.87	38% (32/84)	14% (4/29)	5.87 *
Reported Customer Advocacy/Benevolence	39% (33/84)	20% (5/25)	3.16	37% (31/84)	10% (3/29)	7.23 **

Note: All chi-square tests have one degree of freedom.
* $p < 0.05$, ** $p < 0.01$

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