Business Manoeuvring

A Grounded Theory of Complex Selling Processes

Lars-Johan Åge

To family and friends

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Chapter 1

Introduction

1.1 Setting the scene

Selling processes in industrial markets are complex phenomena. There are many reasons for this complexity, including:

- the fact that both the buying side of a deal and the selling side of the deal often involve several actors;

- the increasing tendency of manufacturing companies in industrial markets to become involved in *service concepts* and *service offerings*, which are often complex and variable, and which are therefore difficult to specify beforehand; and

- the increasing emphasis on the establishment of *collaborative relationships between sellers and buyers* in which final solutions are gradually developed.

All of these factors involve complex interactions among a variety of people. The starting point for this particular study is the contention that these complex phenomena are not sufficiently conceptualised in the existing literature, and that the absence of appropriate concepts and theories means that selling processes of today are difficult to understand and discuss. This exploratory study therefore has the objective of gaining insights into the complex selling processes that characterise contemporary industrial markets.

The nature and extent of the complexities addressed in this study can best be illustrated by means of a short introductory narrative.

At a Swedish-based global telecommunications company, the international sales manager, Steven, and the members of his management team (Bob, Maria, John, and Peter) were discussing whether they should contact a potentially important client in

London with a view to presenting an innovative 'hosting solution' to the London firm's telecommunication needs. Under this 'hosting solution', the London firm would not buy and own its own infrastructure; rather, the firm would buy the function only, with the Swedish-based telecommunications company retaining ownership of the equipment. The British firm would have full access to the telecommunication functions that it required, but it could focus on its core service and marketing activities while leaving the technological issues to the expertise of the telecommunications company.

Despite the importance of the potential client in London, Steven and the other members of the management team were hesitant because they had a suspicion that the London operator had already initiated discussions with another telecommunications vendor. Despite their insecurity about revealing their offering, and despite some internal differences of opinion about the wisdom of proceeding, the management team decided that Steven should go to London and explain the advantages for the British firm of buying a *function*, rather than buying infrastructure solutions in the traditional way. The suspicion that another vendor was already ahead of them increased their sense of urgency that there was no time to waste.

Shortly afterwards, at a meeting in the British firm's headquarters in London, the discussions confirmed Steven's suspicion regarding discussions with another vendor. Nevertheless, Steven's presentation went quite well, and the marketing director of the UK firm decided that a Swedish subsidiary could be a 'reference case' for the so-called 'hosting solution'. However, Steven was given only a very limited time in which to submit a formal offer.

The Swedish team therefore had to address several problems in a short time. *First*, there was a political problem. Although it was normal procedure to address an offer of this sort to the chief technical officer (CTO) of the buying organisation, the telecommunications marketing team decided that this was an undesirable course of action in this particular case because it was likely that this person had designed the required telecommunications system and would therefore be resistant to the notion of outsourcing the system. In contrast, the financial and

commercial people within the buying organisation would be more likely to understand the benefits of the 'hosting solution'—such as rapid acquisition of telecommunications services at lower cost, avoidance of all technological and operational problems, and the receipt of penalty payments (from the telecommunications provider) in the event of things going wrong.

Secondly, because the business model for a 'hosting solution' is rather different from that of a more traditional infrastructure deal, there was also a need to ensure that the vendor's key account managers understood the specific features of the proposed hosting solution and would be able to explain these features to the senior management of the buying firm. In other words, the perspective of the vendor's internal staff also had to be taken into consideration.

Thirdly, the sales management team, assisted by other departments in the vendor organisation, had to manoeuvre inside the buying organisation to inform and cultivate its internal staff regarding the merits of doing a different kind of business.

Fourthly, although the 'hosting solution' has certain standardised features as a service offering, there is always a need to develop a customer-specific solution. This requires some degree of mutual collaboration and trust. In this interaction process it is crucial that the vendor is sensitive to the explicit needs of the customer; moreover, it is often necessary to go beyond the explicitly stated needs and ascertain the implicit (tacit) problems facing the buying firm. Moreover, the problems facing the buying firm can be perceived differently by individuals at various levels of the buying organisation. For these reasons, ascertaining what customers *really* need and want can be difficult, as can be the establishment of a common view within the selling organisation on the best solutions to these issues.

Fifthly, there were also technological problems with regard to integration with the current interfaces already in place in the buying firm. Despite the standardised design of the 'hosting solution', the sales team was aware that a high level of adaptation is often necessary in this type of solution.

Finally, even if the technological dimensions are functioning properly, the vendor might also be expected to understand other relevant dimensions of the buying firm's internal and external environment. For example, they might be expected to offer advice on the financial situation and future business strategies facing the buying organisation if it takes on this 'hosting solution'. The marketing team was aware that a business concept of the kind being proposed in this case can extend far beyond the requirements of merely designing and delivering a specific technical solution.

This introductory narrative illustrates the many complexities that exist in industrial selling processes. Sellers must not only ensure that the technical aspects of an offering function properly, but also that the interests of many different people are properly considered. As an increasing number of industrial companies have perceived the benefits of including a 'service dimension' in their offerings, there has been a greater emphasis on communication, interpretation, and the management of expectations. This requires sellers to 'get closer' to their customers in collaborative relationships to ensure that their real needs can be ascertained and fulfilled.

The contention that a technical solution alone is insufficient to satisfy customers in industrial markets has been widely discussed in the academic literature (Olivia and Kallenberg, 2003; Wise and Baumgarter, 1999; Frambach et al., 1997; Slywotzky et al., 1997; Grönroos, 1992). However, the effect of an enhanced 'service dimension' on the actual *selling process* in industrial markets has not been elaborated upon to a similar extent—although some authors (Normann, 2002; Gummesson, 1998, 1987; Grönroos, 1998, 1996, 1994) have noted that offering services is a rather different process from offering products in the sense that social interactions assume greater importance. In a similar vein, the need to focus more on *individuals* in order to gain insights into buyer–seller relationships has been mentioned by Haytko (2004), Alajoutsijärvi et al. (2001), Gummesson (2006), and Celuch et al. (2006). For example, Celuch et al. (2006, p. 573) argued for "… the need to examine buyer–seller relationships at a more micro, individual level that allows for greater consideration of social/relational elements".

Despite these general observations in the literature regarding the increasingly important role of interpersonal relationships in the selling process, it is evident that there is growing scholarly concern regarding the

extent to which marketing theory is actually *capable* of grasping the increasing complexity of today's business processes. For example, Gummesson (2005, p. 317) has dramatically contended that "… marketing theory must reinvent itself and be refined, redefined, generated, and regenerated—or it will inevitably degenerate". Indeed, Gummesson (2005, p. 317) has called for a paradigm shift in marketing theory, rather than "… incremental change based on the bulk of previous literature". According to the same author (2005, p. 318): "...in times of major changes new concepts—reconceptualization—are urgently needed".

In a subsequent contribution to the debate, Gummesson (2006, p. 170) contended that the missing dimensions in management disciplines are:

> … complexity, context and persona … [what is needed is] not reduction of complexity but condensation: to make each concept, model and theory progressively denser with knowledge.

In a similar vein, Veludo et al. (2001, p. 1) noted that "… most empirical studies fail to catch the complexity of business interactions" and Lowe (2001, p. 1) complained that the majority of marketing research fails to address contemporary reality because it "… involves reducing complexity to atomised measurable, foundational certainties".

If these authors are correct in their assertions that the existing body of literature is insufficient for understanding the complex selling processes that now prevail in industrial markets, it is apparent that a more *inductive exploratory* approach is needed in marketing research. Such an approach would recognise the central importance of understanding the experiences and actions of the actors involved in order to understand what is going on in the empirical field. This, in turn, will require new concepts and terminology to describe the new reality under investigation.

The importance of concepts and terminology for understanding has been extensively elaborated upon within various fields of study, including sociology (Elias, 1991), and marketing (Weitz et al., 1986; Leigh and McGraw, 1989). For example, Elias (1991, p. 65) has noted that words and concepts are basic to "language, reason and knowledge"—that is, "to speak, to think and to know". In a similar vein, Gustavsson (1998) emphasised that conceptual understanding is essential for embracing

change—because higher-level concepts transcend the limitations of first-hand experience— and for facilitating *action*.

In summary, this introduction has argued that there is a need for marketing theory to adopt an inductive approach that takes the actors' experiences in the selling process as the point of departure. Moreover, given the importance of symbols and concepts in facilitating action and embracing change, it can be argued that there is a need for an exploratory inductive study that aims to provide appropriate theoretical concepts to the study of the complexities of industrial selling processes. The present thesis reports on such a study. It is hoped that a study of this kind can make a substantial contribution to both marketing theory and marketing practice.

1.2 Purpose of the study

The purpose of the present study is derived from the main points arising from the above discussion.

- First, it is apparent that industrial selling processes of today are complex phenomena because: (i) an increasing number of diverse parties are involved; and (ii) service-based solutions (often based on advanced technology) are increasingly part of the interaction processes among these diverse parties.

- Secondly, to understand the selling process, the individuals involved, and their actions, it is necessary to undertake an inductive analysis of the actors' own interpretations of their experiences in the selling process.

- Thirdly, if these processes are to be thoroughly understood, there is a need for new theoretical concepts that describe these business processes adequately.

- Fourthly, there is a need for a new paradigm that enables data to be situated in a broader social context that reflects the interactive complexity of the parties involved in these business processes.

The purpose of this thesis is to address these needs. In general terms, the main objective of the study can be formulated as follows:

The aim of this study is to derive empirical actor-related concepts and thereby develop theory to facilitate understanding of the complex selling processes of contemporary industrial markets in a broader social context.

The 'broader social context' in the formal objective (above) refers to the social setting and social interactions whereby the actors involved in the selling process resolve their main concern. Exploration of this 'broader social context' poses the following research questions:

- How do individual actors experience and interpret the selling processes?

- What is the basic social process whereby the involved actors resolve their main concern?

The answers to these research questions should provide theoretical concepts that will make a substantial contribution to understanding the processes under investigation.

1.3 Methodology of the study

A study of the type outlined above requires a methodology that takes full account of the perspectives, interpretations, and actions of the actors involved in industrial selling processes. The methodology chosen for the study was therefore based on so-called 'grounded theory'. According to Glaser (1998, p. 115), grounded theory "… revolves around the main concern of the participants whose behaviour continually resolves their concern". In accordance with grounded-theory methodology, the present study therefore adopts an *inductive approach* whereby concepts and theories are developed from data collected from participants who are actively involved in resolving their concerns in their particular field of interest.

1.4 Overview of thesis

1.4.1 'Chapter 1 Introduction'

This introductory chapter has presented an illustrative narrative, followed by a brief discussion of the extent to which existing empirical and theoretical approaches are sufficient to analyse the complexity of selling processes in today's business world. The introduction thus provides a brief discussion of the origins, purpose, and significance of the study.

1.4.2 'Chapter 2 Literature Review'

A review of the relevant literature on the subject matter of this thesis is presented in Chapter 2. In particular, the chapter examines the validity of the more sweeping critiques of the extant literature and the apparent lack of appropriate theoretical concepts in the sales and marketing literature to examine the complexity of these subjects.

1.4.3 'Chapter 3 In Pursuit of a Conceptual Theory'

Chapter 3 discuss methodological considerations and places the development of conceptual theory (and the research process itself) in a broader scientific and philosophical context. The chapter argues that the adoption of a view in which scientific aims, methods, and theory are understood as *interrelated* (rather than *hierarchical*) facilitates the development of a philosophical position beyond both positivism and relativism.

1.4.4 'Chapter 4 The Substantive Theory'

In this chapter, the substantive theory is presented and empirical examples are given to the different categories, subcategories and their properties.

1.4.5 'Chapter 5 The Emergence of the Substantive Theory'

Chapter 5 provides a description of the process by which the substantive theory was developed. By such a presentation, the analytical procedures and the process by which the final substantive theory emerged are illuminated.

1.4.6 'Chapter 6 Theoretical Contextualisation'

In Chapter 6, the substantive theory is contrasted to existing literature. By such an approach, the contributions and the limitations of the substantive theory are clarified. In this chapter, additional focus is also put on the main point of the substantive theory.

1.4.7 'Chapter 7 Conclusions'

In the final chapter, this research project is summarised and reflected upon. Theoretical, practical and methodological contributions of this study are discussed and research strategies for enhancing the generalisability of the substantive theory are elaborated upon.

Chapter 2

Literature Review

2.1 Scope of the review

As noted in Chapter 1, the contention of this thesis is that the complexity of today's industrial selling processes is not sufficiently conceptualised in the existing literature, and that the absence of appropriate concepts and theories means that those selling processes are difficult to understand and discuss. To substantiate this contention and clarify the issues involved, a thorough review of the literature related to industrial selling processes is required (for a description of the keywords used in the literature search, see Appendix 1).

The essential question to be addressed in this literature review is:

- How are complex contemporary selling processes conceptualised in the literature?

This general question can be divided into four more specific questions:

1. How is the *process* component conceptualised in the sales-related literature?

2. How is the *service* component conceptualised in the sales-related literature?

3. How is the *human* component conceptualised in discussions on buyer-seller exchange relationships?

4. How are these concepts derived?

The first question thus focuses on the selling process *per se*, whereas the second and third questions address dimensions (service and personal interaction) that contribute to the *complexity* of this concept. The fourth question addresses the *empirical grounding* of these concepts. The remainder of this literature review addresses these four questions sequentially, under the following major headings:

- conceptualisation of the *process* component;

- conceptualisation of the *service* component;

- conceptualisation of the *human* component; and

- *empirical derivation* of these concepts.

This review of the literature does not aim to be exhaustive in the sense of covering all aspects of the selling process; rather, the objective is to examine and discuss the way in which the selling process (and related dimensions) are *conceptualised* in a limited selection of theories and models within the marketing field (for a description of how these different components are defined in this chapter, see Appendix 2).

2.2 Conceptualisation of the process component

The first major section of this literature review deals primarily with the question of conceptualising the *process component* of the selling process. Significant efforts have been made in the literature to conceptualise selling processes. These conceptualisations can be broadly divided into two categories:

- those that attempt to develop *general models* of the selling process (Ingram et al. 2008; Long et al. 2007; Green 2006; Weitz 1978; Wilson 1975; Shapiro and Posner 1976; Plank and Dempsey 1980; Persson 1999; Moncrief and Marshall 2005); and

- those that attempt to conceptualise *specific activities* of sales processes (Moncrief 1986; Leigh and McGraw 1989; Marshall et al. 1999).

Each of these categories is discussed in more detail below.

2.2.1 General conceptual models

Some of the general conceptual models of the selling process are *linear and sequential*, whereas others emphasise the *dynamism* of the selling process. These two broad categories are considered in turn below.

2.2.1.1 Sequential models

With regard to the *sequential* descriptions, Moncrief and Marshall (2005) noted that the so-called 'seven steps of selling' have been prominent in the sales literature since the 1920s. According to Moncrief and Marshall (2005, p 13), these seven steps represent "… one of the most widely accepted tenets in the sales field and can be found in early sales books and periodicals". The traditional 'seven steps of selling' are illustrated in Figure 2.1.

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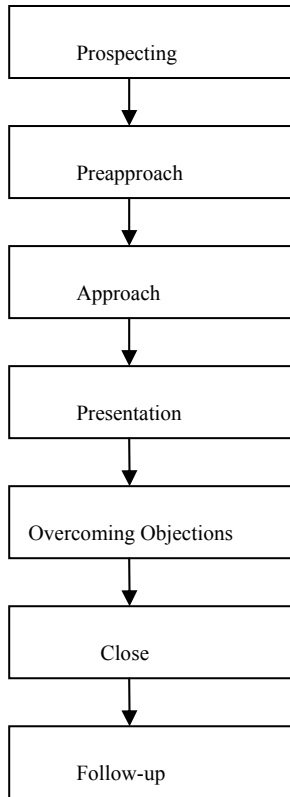
Figure 2.1 Traditional seven steps of selling (Moncrief and Marshall 2005)

In a similar vein to these 'seven steps of selling', Shapiro and Posner (1976) suggested the following sequence of conceptual steps: (i) opening the sales process; (ii) qualifying the prospect; (iii) developing the sales strategy; (iv) organising the justification; (v) making the presentation; (vi) coordinating resources and personnel; (vii) closing the sale; and (viii) nurturing the account relationship. It is significant in this sequence that the ultimate focus is on the nurturing of the account relationship, which represents an early development towards so-called 'relationship management' in the sales process.

In another sequential conceptualisation of the sales process, Wilson (1975) proposed a dyadic process model for the development of buyer–seller relationships that consisted of the following stages: (i) source legitimisation; (ii) information exchange; (iii) attribute delineation; (iv) attribute value negotiation; and (v) relationship maintenance. Although this model emphasised the completion of each step before the next could be undertaken, Wilson (1975) did acknowledge that the steps can overlap to some extent.

Weitz (1978) also proposed a sequential conceptual model that focused on the activities performed by salespersons to influence customer preferences. This model consisted of the following stages: (i) developing impressions; (ii) formulating strategies; (iii) transmitting messages; (iv) evaluating reactions; and (v) making appropriate adjustments.

Green (2006) took the 'seven steps of selling' as a starting point in defining the concept of 'trust-based selling'. This model was based on two dimensions: (i) three *trust values* ('client focus', 'transparency', and 'long-term collaboration'); and (ii) a five-step *trust-creation process* ('engage', 'listen', 'frame', 'envision', and 'commit'). According to Green (2006), 'trust-based selling' requires the application of both the three trust values and the five-step interpersonal process of trust creation to the traditional 'seven steps of selling'.

Long et al. (2007) added the dimension of technology to the 'seven steps of selling' in arguing that the use of the Internet during the selling process can enhance: (i) the motivation and the effectiveness of sales staff; (ii) buyer efficiency; and (iii) buyer satisfaction. As a consequence, customer retention is also increased. Based on these propositions, Long et al. (2007) proposed a conceptual model that implied that the seller's return on investment will increase as a result of the integration of Internet technology into the selling process.

Plank and Dempsey (1980) conceptualised the selling process as consisting of four sequential steps: (i) 'setting the stage'; (ii) 'determining the buyer's need'; (iii) 'presentation'; and (iv) 'exit'. However, these authors emphasised the importance of the seller managing the overlapping dimensions of 'selling' and 'environment' by carrying out a careful analysis of the organisational buying environment.

In summary, it is apparent that these sequential conceptualisations have all been influenced, to varying degrees, by the early notion of the 'seven steps of selling'. The increasing role played by technology in the selling process has been recognised by the model of Long et al. (2007), and concepts such as 'legitimization' (Wilson, 1975), 'justification' (Shapiro and Posner 1976), and the 'organizational buying environment' (Plank and Dempsey 1980) have also been added, thus reflecting the variety of parties now involved in contemporary selling processes. Finally, the use of such concepts as 'trust-based selling' (Green 2006), 'relationship maintenance' (Wilson 1975), and 'nurturing the account relationship' (Shapiro and Posner 1976) reflect the importance of relations with other parties and the development of long-term relationships.

2.2.1.2 Dynamic models

The increasing importance of technology and relationships with customers in the sales process, as described above, has been a driving force behind the development of more dynamic models of contemporary selling processes. For example, although Ingram et al. (2008) proposed a so-called 'trust-based sales process', which consists of certain stages ('initiating customer relationships', 'developing customer relationships', and 'enhancing customer relationships), their model emphasised that these stages are interrelated (not sequential) in creating customer value.

In a similar vein, Persson (1999) argued that the overall sales process is recursive—that is, salespersons can interrupt the process at any stage and return to an earlier stage, with the overall aim of focusing on relationship maintenance. Thus, although Persson (1999) presented an ostensibly sequential model of seven stages ('relationship maintenance', 'problem identification', 'technical proposal', 'offering', technical and commercial negotiation, 'instructions for production', and 'installation and service') and two overall phases ('relationship maintenance and proposal', and 'offering and installation'), the fact that the overall process can be interrupted at any stage and returned to the first stage, gives the process a more recursive (or 'circular') appearance.

Perhaps the most dynamic model of the sales process was presented by Moncrief and Marshall (2005), who proposed a non-sequential model called the 'evolved selling process', which was a

development of the original 'seven steps of selling'. Their model is illustrated in Figure 2.2.
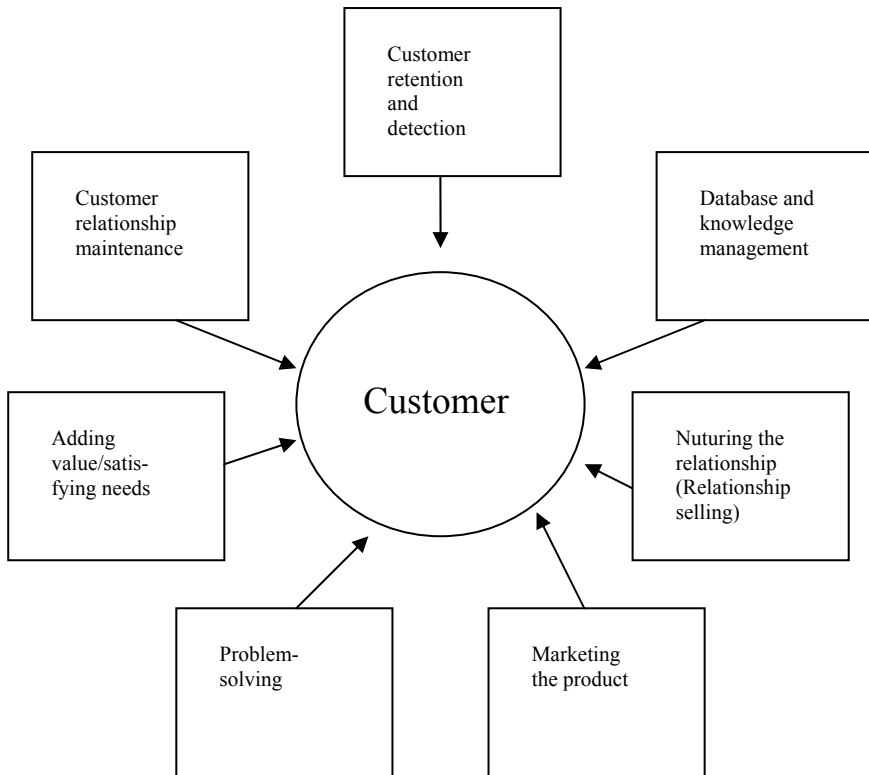
Figure 2.2 Evolved selling process (Moncrief and Marshall 2005)

In this model, the relationship dimension, which was mentioned in the models of Wilson (1975), Shapiro and Posner (1976), and Persson (1999), is at the very centre of the conceptualisation. The model thus

emphasises: (i) customer relationships; and (ii) the non-sequential nature of the selling process.

In general, it would seem that more weight is ascribed to relationships in dynamic models than is the case in sequential models. This observation is in accordance with the view of Moncrief and Marshall (2005, p 16), who noted that the driving forces behind the evolution of the traditional 'seven steps' into dynamic non-sequential models include:

> … technology, the expanding strategic role of selling within organisations, team-based approaches to selling, increased buyer knowledge and sophistication, and others.

In this regard, it is interesting to note that Ingram et al. (2008), Green (2006), and Shapiro and Posner (1976) all mentioned technological advances and long-term relationships with customers as driving forces behind the need for new perspectives on selling. Moreover, the way in which the trend towards long-term customer relationships has affected the selling process has also been emphasised by DelVecchio et al. (2004) and Weitz and Bradford (1999).

In summary, technological advances and a desire to form and maintain long-term relationships with customers appear to be driving forces behind the development of more dynamic models of contemporary selling processes.

2.2.2 Models of specific selling activities

Moncrief (1986) identified 121 activities that should be performed by a sales force. Thirteen years later, Marshall et al. (1999) re-examined the 121 sales activities identified by Moncrief (1986) and found that all of these activities were still being performed; in addition, they identified 49 new activities being performed by salespersons, which were mainly derived from new technological applications and the establishment of long-term relationships. In a similar vein, Ingram et al. (2002, p. 559) argued that:

> … sales organisations are using technology to free their salespeople from time-consuming mundane administrative activities so that they can become true strategic partners with their customers.

Leigh and McGraw (1989, p. 29) used so-called 'cognitive script methods' to identify what they referred to as:

> … procedural knowledge of experienced, effective industrial salespersons …including their sales call objectives, planning scripts, and interaction scripts

In their experimental methodology, Leigh and McGraw (1989) presented a 'sales context' to salespersons, followed by a request that they should then list the activities that they expected to occur during sales planning and during the sales interaction itself. The results indicated that relationship-building was of importance in the initial sales contact, but the emphasis moved to the solving of customer problems during follow-up calls.

2.2.3 Summary of conceptualisation of process component

The models of the process component considered in this first part of the literature review are summarised in Table 2.1:

Table 2.1: Conceptualisations of the process component

Study	How the process component is conceptualised	Service component	Human actor level	Empirically derived
Ingram et al. (2008)	A non-sequential trust-based sales model focusing on value and relationships	Yes	Yes	No
Long et al. (2007)	A model that summarises the benefits of integrating the Internet into the selling process	No	Yes	No
Green (2006)	Trust-based selling principles applied to the seven steps of selling	Yes	Yes	No
Moncrief and Marshall (2005)	A dynamic and non-sequential model in which all activities revolve around the customer relationship	Yes	Yes	No
Persson (1999)	A dynamic model that emphasises relationship maintenance	Yes	Yes	Yes
Marshall et al. (1999)	A systematic updating of the selling activities identified by Moncrief (1986)	Yes	Yes	Yes

Leigh and McGraw (1989)	Cognitive script methods used to map the procedural knowledge of sales staff	No	Yes	Yes
Moncrief (1986)	Taxonomies of sales activities and sales jobs	No	Yes	Yes
Plank and Dempsey (1980)	A model consisting of two dimensions: (i) a step-wise selling process; and (ii) the organisational buying environment	No	Yes	No
Weitz (1978)	A multi-stage model focusing on changing customer preferences	No	Yes	No
Shapiro and Posner (1976)	A stepwise model emphasising complexity and long-term relationships	No	Yes	No
Wilson (1975)	A dyadic and sequential model, with a strong focus on process steps	No	Yes	No

Note: This table summarises how the process component (Question 1) is conceptualised, and whether the other criteria (Questions 2, 3, and 4) are present.

In summarising this first section of the literature review, it is apparent that the service component has been conceptualised in slightly different ways by Ingram et al. (2008), Green (2006), Persson (1999), Moncrief and Marshall (2005), and Marshall et al. (1999). Persson (1999) focused on complex solutions and capital equipment, but did mention

services—mostly in terms of 'technical service' and 'support service'. In contrast, Ingram et al. (2008), Green (2006), and Moncrief and Marshall (2005) emphasised customer orientation, problem solving, values, and services as important aspects of the selling process. In particular, Marshall et al. (1999) explicitly noted the importance of including services in sales offerings.

As shown in the table, all of these conceptualisations included reference to human factors, but only the models of Persson (1999), Moncrief (1986), Marshall et al. (1999), and Leigh and McGraw (1989) were based on empirical data. Persson (1999) employed an exploratory case-study approach, Moncrief (1986) utilised interviews, focus groups, and a survey in defining 121 selling activities and developing a taxonomy based on the frequency of occurrence. Marshall et al. (1999) used focus groups in their work on the selling activities originally presented by Moncrief (1986), and Leigh and McGraw (1989) utilised interviews with experienced sales people in their 'script elicitation' context.

In conclusion, it is evident that the way in which selling processes have been conceptualised has changed substantially since the development of the original 'seven steps of selling'. The organisational context has received increasing emphasis, and technological developments and the value of long-term relationships have increasingly been taken into consideration in attempts to build better models. Moreover, the early sequential models have been developed into more dynamic descriptions of contemporary selling processes. Some of these dynamic descriptions have continued to rely on notions of separate stages, but these steps are now understood to occur in a non-sequential way.

2.3 Conceptualisation of the service component

The second major section of this literature review deals primarily with the question of conceptualising the *service component* of the selling process (emphasis is thus on service selling and not on how services are defined or on service marketing in general).

Manufacturing companies are increasingly turning to 'service-based solutions' to augment their previously goods-focused offerings (Wise and Baumgarter 1999; Windahl 2007; Neu and Brown 2005). For these companies, this development has implications for their business models (Wise and Baumgarter 1999), organisation (Olivia and Kallenberg 2003), and marketing processes (Grönroos 1996; Gummesson 1979).

With regard to the actual selling process of the 'service component', various conceptualisations have been advanced in the literature. These can conveniently be considered under the following subheadings:

- simple 'service selling', (Dubinsky and Rudelius 1980; George and Kelly 1983; George et al. 1986; Crosby et al. 1990);

- 'system selling' (Davies et al. 2007; Stremersch et al. 2001; Kotsalo-Mustonen 1995; Paliwoda and Bonaccorsi 1993; Mattsson 1973; Hanan et al. 1978; Hannaford 1976; Gummesson 1979; Dunn and Thomas 1986; Dunn et al. 1981);

- 'relational selling' (Biong and Selnes 1995; Avila et al. 2006; Keillor et al. 2000);

- 'consultative selling' (Hanan 1986; Callahan 1992; Dunn et al. 1981); and

- 'team selling' (Moon and Armstrong 1994).

Each of these is considered in more detail below.

2.3.1 Simple 'service selling'

Both Dubinsky and Rudelius (1980) and George and Kelly (1983) discussed 'service selling' in terms of the specific techniques employed by sales people when selling products. Crosby et al. (1990), who attempted to identify the antecedents and consequences of enduring sales relationships in 'service selling', did acknowledge that future sales opportunities depend on trust and satisfaction, but they continued to insist that the ability to convert these opportunities into actual sales was dependent on conventional selling characteristics (such as 'similarity' and 'expertise').

George et al. (1986) proposed a dynamic seven-step model of 'service selling' that consisted of the following steps: (i) orchestrate the service purchase encounter; (ii) 'tangibilise' the service; (iii) facility quality assessment; (iv) utilise all public contact personnel; (v) encourage customer involvement during the service encounter; (vi) involve external references; and (vii) maximise positive organisational reputation. It is apparent that this model differs from the models of selling processes described above (Wilson 1975; Plank and Dempsey 1980; Persson 1999; Moncrief and Marshall 2005) by not emphasising the complexity produced by technological solutions and large organisational structures. It is also evident that the model of George et al. (1986) is less sequential than the models proposed by Wilson (1975), Shapiro and Posner (1976), and Plank and Dempsey (1980). In particular, the model of George et al. (1986) included, in all its stages, such dynamic features as interpersonal interactions, expectations, and subjective experiences—thereby emphasising the service encounter as an interpersonal phenomenon.

2.3.2 'System selling'

Gummesson (1979) defined 'system selling' as "… goods and services [being] sold together". 'System selling' can thus be understood as the sale of a combination of products and services that perform a specific function for the buyer (Hannaford 1976; Mattsson 1973; Stremersch et al. 2001; Kotsalo-Mustonen 1995).

Hannaford (1976) stressed the service dimension in such a combination by using the term 'service-based relationship'. Stremersch et al. (2001) adopted a similar approach in referring to a 'full service strategy'. Kotsalo-Mustonen (1995) emphasised the technology component in noting that the combination of products and services in system selling is often based on information technology.

The academic literature has often focused on the *interactive* aspects of system selling. Some terms that reflect this emphasis have included 'system sale interaction' (Kotsalo-Mustonen 1995), 'problem solving' (Hanaford 1976), 'system integrators' (Davis et al. 2007), 'expertise analysis' (Dunn and Thomas 1986), and 'consultative selling' (Dunn et al. 1981).

Paliwoda and Bonaccorsi (1993) contended that system selling not only aims to differentiate the actual product, but also aims to add value to

the offering (while simultaneously increasing potential switching costs for customers). Similarly, other authors have noted that system selling reduces the interdependence between the seller and competitors, and that this can lead to greater freedom in making pricing and volume decisions (Hanan et al. 1978; Mattsson 1973).

Hannaford (1976) and Dunn et al. (1981) recommended that creative and aggressive sales efforts should be directed at different levels in the buying organisation. Hannaford (1976) argued that this can be accomplished by the use of "strategic and consultative sales forces". Dunn and Thomas (1986) focused on the need to analyse "the problem and solution expertise" of buyers and sellers in a certain situation by using a specific "problem-solution grid" to create specific strategies for specific customers.

Davis et al. (2007) proposed two organisational types in system selling: (i) a "vertically integrated system seller" that produces all the components of the system; and (ii) a "system integrator" that coordinates the integration of components supplied by other firms. Davis et al. (2007, p. 192) argued that "… the traditional advantages of the vertically-integrated systems seller offering single-vendor designed systems is no longer a major source of competitive advantage in many industries".

2.3.3 'Relational selling'

Whereas 'system selling' emphasises the composition of the solution, 'relationship selling' emphasises the buyer–seller exchange relationship (relationship selling is related to relationship marketing in general which is a field not discussed in this chapter). The service dimension is conceptualised in various ways in 'relational selling'. Keillor et al. (2000) concluded that customer orientation significantly affected sales performance whereas adaptability and service orientation did not affect performance to the same extent. However, these authors defined the service dimension as "service oriented" and assessed staff members who were engaging in "both selling and non-selling tasks" (rather than primarily providing customer-specific solutions).

Biong and Selnes (1995) did not discuss services explicitly when conceptualising relational selling, but they did emphasise the importance of the sales staff's skills in communication and information gathering for long-term relationships.

Avila et al. (2006) explicitly mentioned services when presenting a model of the relational selling process in the insurance industry. The model consisted of the following stages: (i) prospecting; (ii) pre-approach; (iii) approach; (iv) gathering information; (v) analysis and case preparation; (v) presenting; (vi) gaining agreement; (vii) delivering the contract; and (viii) building the clientele. In this model, the important dimensions in the sales process were: communication, expertise, and trust.

2.3.4 'Consultative selling'

The notion of 'consultative selling' emphasises the importance of expertise, information, and problem solving during the interaction with the customer (Callahan 1992; Hanan 1986). For example, Callahan (1992) emphasised "the sales person's ability to be an expert in the customer's business, a problem solver, and a skilled provider of services to satisfy customer needs". Hanan (1986) focused on the importance of delivering value-adding solutions and having information on customer operations.

In contrast to these views, Dunn et al. (1981) argued that product selling is complicated enough for most companies and that changing the focus of the sales force from a product-selling perspective to a consultative role that provides customers with solutions can lead to a significant decrease in profits. These authors recommended a more traditional view of salespeople in contending that being 'verbal' and 'people-oriented' can sometimes be sufficient for a highly efficient salesperson.

2.3.5 'Team selling'

The concept of 'team selling' takes a broader perspective in referring to the organisational aspects of the selling of service-based solutions. Moon and Armstrong (1994) offered a conceptual model that described two types of selling teams: (i) core teams; and (ii) selling centers. The former is a stable unit that adopts a strategic perspective with respect to the buying organisation, whereas the latter is a transaction-focused unit with a more fluid membership.

2.3.6 Summary of conceptualisation of service component

The conceptualisation of the *service component* considered in the second part of this literature review is summarised in Table 2.2.

Table 2.2 Conceptualisations of the service component

Study	How the service component is conceptualised	Process component	Human actor level	Empirically derived
Davis et al. (2007)	Two organisational types of system sellers: (i) vertically-integrated systems seller; and (ii) system integrator	No	Yes	No
Avila et al. (2006)	A process model of relational selling that emphasises the dimensions of communication, trust, and expertise	Yes	Yes	No
Stremersch et al. (2001)	A conceptual framework for a full-service strategy using an inductive exploratory approach	No	Yes	Yes

Keillor et al. (2000)	A discussion of the interrelationships among customer orientation, adaptability, and service orientation in relational selling	No	Yes	No
Kotsalo-Mustonen (1995)	A theoretical and empirical approach to success assessment in system selling	Yes	Yes	No
Biong and Selnes (1995)	Emphasises relationship management, with a focus on communication and information exchange of sales staff in relational selling	No	Yes	Yes
Paliwoda and Bonaccorsi (1993)	Uses a case study to discuss the organisational and tactical issues of system selling	Yes	Yes	Yes

Callahan (1992)	Addresses consultative selling; emphasises the expertise of sales staff in customer business, problem-solving and service provision	No	Yes	Yes
Crosby et al. (1990)	A model that identifies structural characteristics of enduring sales relationships in service selling	No	Yes	No
George et al. (1986)	A seven-step dynamic model focusing on service selling	Yes	Yes	Yes
Dunn and Thomas (1986)	A problem and solution grid of strategies for system sellers	Yes	Yes	Yes
Hanan (1986)	Emphasises the importance of value, solutions, expertise, and improving customer profits	No	Yes	No

George and Kelly (1983)	Emphasises how sales representatives experience the difference between selling goods and services	No	Yes	No
Dunn et al. (1981)	Describes the disadvantages of system selling, problem solving, consultative selling, and team selling	No	Yes	Yes
Dubinsky and Rudelius (1980)	Compares selling techniques for products with selling techniques for services	No	Yes	No
Gummesson (1979)	The implications of the service dimension for organisational structure, marketing activities, and marketing costs	No	Yes	Yes
Hannaford (1976)	Describes success factors for system sellers	No	Yes	No

Moon and Armstrong (1994)	A conceptual framework of two types of selling teams: (i) core teams; and (ii) selling centers	Yes	Yes	Yes

Note: This table summarises how the service component (Question 2) is conceptualised, and whether the other criteria (Questions 1, 3, and 4) are present.

In summarising this second section of the literature review, the *process* component has been included in the contributions of George et al. (1986), Kotsalo-Mustonen (1995), Dunn and Thomas (1986), Paliwoda and Bonacorsi (1993), Avila et al. (2006), and Moon and Armstrong (1994). Of these, George et al. (1986), Kotsalo-Mustonen (1995), and Avila et al. (2006) emphasised this aspect by incorporating the process dimension into their conceptual models. The dynamic nature of the selling process was emphasised by George et al. (1986) and Kotsalo-Mustonen (1995), whereas Avila et al. (2006) proposed a model of service selling which, despite its circular appearance, consisted of several sequential steps.

The *human* dimension featured in all of the studies included in this section of the literature review. These conceptualisations were empirically grounded in the contributions of George et al. (1986), Stremersch et al. (2001), Gummesson (1979), Dunn and Thomas (1986), Dunn et al. (1981), Paliwoda and Bonaccorsi (1993), Biong and Selnes (1995), Callahan (1992), and Moon and Armstrong (1994). Although Moon and Armstrong (1994) created a conceptual framework on theoretical grounds, they did develop it using empirical data.

In summary, the service dimension of the selling process has been conceptualised in various ways in the literature. Some have conceptualised the service dimension in terms of 'service selling' *per se*, whereas others have viewed the service dimension as a component of a complex system that is integrated, to varying degrees, with customer operations. Other researchers have discussed the service aspect in the

context of long-term relationships, consultative skills, or organisational implications.

2.4 Conceptualisation of the human component

The third major section of this literature review deals primarily with the question of conceptualising the *human component* of the selling process. The way in which the human component is conceptualised in buyer–seller relationships can be considered in two parts:

- the human actor *per se*; and

- the perspective and subjective experiences of the involved actors.

  Each of these is discussed in more detail below.

2.4.1 The human actor

The role of the human actor in exchange relationships has been a primary focus of the so-called 'interaction approach', which was developed by the IMP Group during the 1970s. This approach took the relationship between buyer and seller as its unit of analysis, rather than focusing on a single firm or a single purchase episode. This perspective subsequently evolved into the so-called 'network perspective', in which actors are viewed as embedded in complex networks of relationships, all of which affect one another to varying degrees.

2.4.1.1 Interaction approach

Studies using the interaction approach have emphasised the social aspect of relationships (Cunningham and Turnbull 1982; Håkansson and Snehota 2000; Håkansson and Snehota 1995). According to Håkansson (1982, p. 27), the establishment of trust in relationships is regarded as a 'social process' in which individual actors "… exchange information, develop relationships and build up strong social bonds which influence the decisions of each company in the business relationship". Ford et al. (1986, p. 27) also emphasised the role of individuals in noting that "… inter-company interactions are performed by human beings".

In an early study using the interaction approach, Turnbull (1979) emphasised the importance of interpersonal relationships in business life by distinguishing the following roles: (i) information exchange; (ii) assessment; (iii) negotiation and adaptation; (iv) crisis insurance; (v) social; and (vi) ego enhancement. Turnbull (1979) argued that the basis of both the information exchange role and the assessment role is the fact that perceived risks can be substantially reduced by the exchange of information (which is often complementary to contract terms) and by accurately assessing the suitability of a certain supplier. He also noted that adaptations of products, manufacturing issues, and delivery processes are recurring issues that all presuppose personal contact. Furthermore, personal contact and both the social role and the ego-enhancement role facilitate interaction with other people—either on the basis of the social value this interaction implies in itself or in terms of enhancing the personal status of individuals within the organisation.

Dwyer et al. (1987), Andersson and Narus (1984), and Ring and Van de Ven (1994) all discussed business relationships from a 'macro' perspective, but they did draw attention to the individual level in various ways. Dwyer et al. (1987) conceptualised the different stages of relationship development in terms of certain dimensions (awareness, exploration, expansion, commitment, and dissolution) and used a marital metaphor to focus on the dyadic processes of power, bargaining, and trust. In a similar vein, Andersson and Narus (1984) relied on social exchange theory to conceptualise working relationships in terms of various constructs, some of which are related to the roles of human actors (conflict, satisfaction, and communication). Ring and Van de Ven (1994) focused on inter-organisational relationship development and argued that it is important to distinguish interpersonal relationships from role relationships derived from an organisational mandate; in their discussion, the concepts of 'efficiency' and 'equity' at the individual level were emphasised as important components of a working relationship.

2.4.1.2 Network perspective

In terms of the network perspective, certain entities within the network are posited as 'actors'. According to Håkansson and Johanson (1992, p. 28), these 'actors' can include "… individuals, groups of individuals, part of firms, firms and group of firms". Håkansson and Snehota (1995) also noted that the concept of 'actors' can include collective units consisting of firms and groups of firms.

The relatively indeterminate nature of such actors was acknowledged by Johanson and Mattsson (1992, p. 210), who observed that:

> Obviously, actor-mediated connections are much more ambiguous, fluid and invisible than those that are resource independent mediated. Nevertheless, they exist and have important implications for network development.

Drawing on the notion that individual persons are important actors in business networks, both Hallén (1992) and Gummesson (2002) discussed the way in which relationships are established, sustained, and used at the level of senior management. Hallén (1992) concluded that these relationships are derived from an intricate web of social contacts that is of importance when problems and crises have to be managed during day-to-day business activities. Gummesson (2002) used the concepts of 'mega-relations' and 'nano-relations' to describe the value of established contacts with customers, decision-makers, and inter-company personnel.

In a similar vein, Axelsson and Agndal (2005) argued that individuals are important in networks because it is they who act, react, and take initiatives to establish (or terminate) links in the network relationships. A business relationship thus consists of patterns of personal contact at various levels of both the selling and buying organisations, and these gather momentum and power as they are synchronised.

With regard to empirical studies of networks, some studies have focused on both individuals and firms as actors (Waluszewski 1989; Salmi 1995) whereas others have emphasised individuals (Liljegren 1988; Forsström 2005; Norén 2007). Waluszewski (1989) studied technological change and the way in which new manufacturing technologies emerge. The study noted that one actor (individual or company) cannot develop a new technology without cooperating with other actors, that new activities are dependent on earlier activities, and that combinations of resources are endless. Waluszewski (1989) was thus categorical in arguing that an actor who is highly dependent on various partners can never develop a technology or control a network without the support of that network. Nevertheless, the study emphasised the important role of individuals as actors in exchange processes.

Salmi (1995) also considered both individuals and firms as actors when studying institutional change processes in the transformation from a planned economy to a market economy. This study emphasised the importance of the 'mental models' of individuals in determining the role of institutions in networks. According to Salmi (1995), institutional rules are operative at the level of the individual actors, and networks are socially constructed by individual actors. However, different individuals might hold different perceptions of a network in accordance with their personal mental models.

The aim of the study by Liljegren (1988) was to gain insight into the role of the individual salesperson. In particular, Liljegren (1988) felt that earlier incidents in a relationship affect the way in which a subsequent exchange relationship is perceived by the parties. To explore this hypothesis, the author followed the actual development of certain exchange relationships to study the content, development, and characterisation of the relationships over a period of time. Liljegren (1988) thus focused on actors as individual people and emphasised the role of the individual actor in actively constructing the exchange process. Moreover, according to Liljegren (1988), individuals can actively change organisational structures, strategies, and routines.

Forsström (2005) examined the concept of 'interdependencies' more closely by describing how involvement in an exchange relationship becomes interdependence, and how these interdependencies have the potential to develop an exchange relationship into a value-creating partnership. However, although Forsström (2005) emphasised the individual actor's role in determining the success of a business relationship, she did not believe that the social relationships were capable of affecting the actual activities occurring within a partnership.

Norén (2007) also focused on the individual level in noting that interdependence and interaction are important in: (i) solving problems in the exchange relationship; (ii) inducing acceptance of products and solutions; and (iii) creating new business opportunities for the selling party. More specifically, Norén (2007) contended that the dimensions of the *seller's knowledge management* and the *buyer's needs* are central to success in an exchange relationship, and that these two key dimensions are affecting social exchange, relationships (at different levels), cooperation, and competition management.

2.4.2 Perspective and subjective experiences of the involved actors

Several studies have addressed the question of the involved actors' subjective experiences (Knight 2000; Haytko 2004; Celuch et al. 2006; Bantham et al. 2003; Spiro and Perreault 1979) however, they have conceptualised this dimension in various ways. Some researchers have focused on the way in which actors influence each other (Spiro and Perreault 1979), whereas others have emphasised the attitudes and beliefs of actors who are learning to collaborate (Knight 2000), the experiences and appraisal of actors (Klint 1985; Celuch et al. 2006), or their problem-solving skills (Bantham et al. 2003).

Spiro and Perreault (1979), who focused on the mix of so-called 'influence tactics' deployed by sales staff, identified certain sales strategies that they characterised as follows: (i) 'legitimate'; (ii) 'expert'; (iii) 'referent'; (iv) 'ingratiation'; and (v) 'impression'. Simply put, the 'legitimate' and 'expert' tactics are based on communicating the reputation and offerings of the selling company, the 'referent' tactic relies on the personal relationship between the involved actors, and the 'integration' and 'impression' tactics revolve around personal favours and other manipulative strategies.

Celuch et al. (2006) consists of short-term communication-related expectations and long term expectations relating to more tangible business outcomes. In brief, each party's communication behaviour is founded on communication expectations, but the selling party's communication behaviour leads to an appraisal by the buying side, about communication processes, directly influencing satisfaction and the willingness to invest. Similarly, the communication behaviour of the buying firm leads to an evaluation by the selling firm, regarding the communication process, highly-related to experiences regarding satisfaction and the willingness to invest. In parallel, business outcomes are evaluated in comparison to expectations and, subsequently, affect satisfaction and the willingness to invest.

In the contribution provided by Bantham et al. (2003, p. 267), the 'mindset' was distinguished from the 'skillset'. The concept of the 'mindset' consists of the ability to be aware of relational tensions and a willingness to address them, whereas the concept of the 'skillset' denotes the ability to practise so-called "non-defensive listening", "active

listening", "self disclosure", and "editing". The concepts of the mindset and the skillset were regarded by Bantham et al. (2003) as antecedents to so-called "interdependent problem solving".

Comparing Celuch et al. (2006) and Bantham et al. (2003), it is apparent that Bantham et al. (2003) conceptualised the 'mindset' and the 'skillset' as communication skills required for effective dialogue within the exchange relationship, whereas Celuch et al. (2006) emphasised the concepts of "expectation" and "appraisal" with regard to actual business outcomes. However, in both descriptions, it is clear that problem solving is interpreted as a driver of satisfaction and investment.

Klint (1985) studied the way in which the actions of selling firms affect the perceptions of the buyer, and how this leads to reactions that affect the participants' expectations and mutual relationship. According to Klint (1985), the actions of the selling party (and the consequent perceptions of the buyer) were characterised by the concepts of 'power', 'trust', and 'understanding'. Klint (1985) did not refer to 'problem solving' explicitly; rather, the actions, perceptions, and reactions were characterised as being initiated by an event that then triggered certain reactions. In contrast to Celuch et al. (2006) and Bantham et al. (2003), both of whom posited problem-solving as a significant dimension in determining satisfaction and relationship development, Klint (1985) thus ascribed a similar importance to a chain of actions, perceptions, and reactions in terms of relationship development.

2.4.3 Summary of conceptualisation of human component

The way in which the human element is conceptualised in the studies reviewed above can be summarised as shown in Table 2.3

Table 2.3 Conceptualisations of the human component

Study	How the human component is conceptualised	Process component	Service component	Empirically derived
Norén (2007)	Incorporates individuals at different levels into both the selling and buying firms	Yes	Yes	Yes
Celuch et al. (2006)	A model focusing on expectations and appraisals in buyer–seller problem solving	No	Yes	No
Axelsson and Agndal (2005)	Emphasis on actors as acting subjects and the interrelatedness of different actor levels	No	Yes	No
Forsström (2005)	Emphasises individuals' ability to facilitate the business relationship; however, the individual actor does not have the ability to affect the activities occurring in a partnership	No	Yes	Yes

Bantham et al. (2003)	Emphasises communication abilities as enablers of problem solving	No	Yes	No
Gummesson (2002)	Conceptualises different relationships existing at different levels, both internally and in the marketplace	No	No	Yes
Håkansson and Snehota (2000)	Discusses the social content of business interaction processes and the individual's role in trust, commitment, and influence/power	No	No	No
Håkansson and Snehota (1995)	Actors are conceptualised as firms, but individuals are considered important in inter-organisational relationships	No	No	Yes

Salmi (1995)	Individual's role in networks is emphasised when companies' must cope with an institutionally changing context	No	No	Yes
Ring and Van de Ven (1994)	Discusses the developmental processes of cooperative relationships; the individual level is stressed using the concept of 'equity'	No	Yes	No
Hallén (1992)	Focuses on non-task relationships in infrastructural networks	No	No	Yes
Waluszewski (1989)	Actor concept used to denote firms, individuals, and groups of individuals	No	No	Yes
Liljegren (1988)	The individual actor's role is acknowledged as a constructor of the exchange relationship	Yes	Yes	Yes

Dwyer et al. (1987)	Presents a conceptual framework for developing buyer–seller relationships and focuses on the individual level using a marital metaphor	No	No	No
Ford et al. (1986)	Elaborates on company interaction processes; however, the roles of individuals are stressed in information exchange and acts of interpretation	No	No	No
Klint (1985)	Emphasises the chain of action, perception, and reactions within exchange relationships	Yes	No	Yes
Andersson and Narus (1984)	Presents a model of the selling firm's perspective on a working relationship revolving around the concepts of conflict, satisfaction and communication	No	No	No

Håkansson (1982)	An interaction model in which actors have important roles during different exchange processes	No	No	Yes
Cunningham and Turnbull (1982)	Discusses personal contact patterns in terms of their importance, their relatedness to other interaction variables, their roles, their intensity, and the styles that characterise them	No	Yes	Yes
Turnbull (1979)	A discussion of the role of personal contacts in business-relationships	No	Yes	Yes
Spiro and Perreault (1979)	A non interactive description of the influence mixes used by sales staff	Yes	No	No

Note: This table summarises how the human component (Question 3) is conceptualised, and whether the other criteria (Questions 1, 2, and 4) are present.

In summarising this third section of the literature review, the *selling process* dimension has been conceptualised by Liljegren (1988), Norén (2007), Spiro and Perreault (1979), and Klint (1985) in different ways. Liljegren (1988), Norén (2007), and Klint (1985) took the

perspectives of both the selling firm and the buying firm into consideration, whereas Spiro and Perreault (1979) focused on the perspective of the selling firm. It should also be noted that Spiro and Perreault (1979) and Klint (1985) focused on 'influence tactics' and communication elements during the selling process, whereas Liljegren (1988) and Norén (2007) emphasised interactions and interdependencies. Furthermore, Liljegren (1988), Klint (1985) and Norén (2007) utilised conceptual models in their contributions, whereas and Spiro and Perreault (1979) relied on quantitative descriptions.

Regarding the *service* component in this section of the literature review, it is apparent that this aspect is discussed by Cunningham and Turnbull (1982), Turnbull (1979), Axelsson and Agndal (2005), Liljegren (1988), Forsström (2005), Ring and Van de Ven (1994), Norén (2007), Celuch et al. (2006), and Bantham et al. (2003). Liljegren (1988) and Forsström (2005) used the concept of 'value creation' in this regard, whereas Norén (2007), Celuch et al. (2006) and Bantham et al. (2003) used the concept of 'problem solving'. Liljegren (1988), Cunningham and Turnbull (1982), Axelsson and Agndal (2005), and Turnbull (1979) all discussed adaptations and the sales staff's consultative abilities. Finally, Ring and Van de Ven (1994) argued that a process perspective on collaborative relationships is of greater importance when tacit 'know-how' assets are transferred during a relational exchange processes (than when tangible assets are transferred during single transactions).

Many of the conceptualisations in this section of the literature review were based on *empirical data*. These include those of Håkansson (1982), Cunningham and Turnbull (1982), Håkansson and Snehota (1995), Waluszelwski (1989), Liljegren (1988), Forsström (2005), Norén (2007), Turnbull (1979), Salmi (1995), Gummesson (2002), Hallén (1992), and Klint (1985). However, it should be noted that Liljegren (1988), Forsström (2005), Salmi (1995), Hallén (1992), and Klint (1985) all relied (to some extent) on a theoretical framework when analysing the data. The study of Norén (2007), which was based on an inductive ethnographic approach, was particularly well grounded in empirical data.

In summary, although several researchers operated in the tradition of the exchange process (and therefore focused on buyer–seller dyads or more complex networks), there is no consensus in the studies reviewed here regarding the extent to which the individual can affect the actual development and outcome of an exchange relationship. Some researchers

did posit the individual as an active participant, but then added a disclaimer that this actor is a participant in the relationship without the ability to affect, in any substantial way, the development of the overall relationship. Others ascribed greater importance to the human actor, but they also often hesitated in ascribing decisive influence to human actors in changing the course of events in an exchange episode. It would thus seem that there is no consensus in the literature regarding whether firms or individuals should be seen as the decisive actors in actually affecting the outcome of exchange relationships.

With respect to the human actors' subjective experiences, several researchers emphasised the role of expectations and communication abilities—especially in problem solving and the maintenance of long-term relationships. Expectations were not only discussed in the context of business outcomes, but were also taken into account with regard to communication behaviour and actions undertaken during the exchange relationship.

2.5 Empirical derivation of the concepts

The fourth major section of this literature review deals primarily with the question of the *empirical derivation of the concepts* described in earlier sections of the review. In particular, because this study contends that there is a need for new concepts and theories to conceptualise the complex selling processes that characterise contemporary markets, it is necessary to explore the extent to which the conceptualisations noted in earlier sections of this literature review are: (i) empirically based; and (ii) actually capable of creating new concepts.

Concepts that might be described as 'new' were created in many of the studies considered in this literature review, including Moncrief (1986), Persson (1999), Turnbull (1979), Håkansson and Snehota (1995), Gummesson (2002), Forsström (2005), and Moon and Armstrong (1994).

Moncrief (1986) identified different sales jobs (for example, 'missionary; or 'trade servicer'). Persson (1999) introduced new concepts in describing two phases of the selling process ('relationship maintenance and proposal' and 'offering and installation'). Forsström (2005) introduced some new concepts in the context of value creation

('possibility space', 'value co-creation initiatives', and 'enabling initiatives'). Håkansson and Snehota (1995) offered some new concepts in the context of discussing business relationships ('activity links', 'actor bonds', and 'resource ties'). Turnbull (1979) introduced new concepts in discussing certain roles ('information exchange role' and 'assessment role'). Gummesson (2002) introduced new concepts of relationships when he spoke of 'mega-relationships' and 'nano-relationships'. Moon and Armstrong (1994) created new concepts in identifying different roles held by the members of a selling team ('initiator', 'coordinator', 'resource', 'approver', and 'implementer').

The studies classified as 'empirical' in the earlier discussion, and the extent to which these studies created new concepts, are summarised in Table 2.4

Table 2.4 Empirically derived conceptualisations

Study	New concepts	Level
Norén (2007)	No	Process; Service; Actor
Forsström (2005)	Yes	Service; Actor
Gummesson (2002)	Yes	Service; Actor
Stremersch et al. (2001)	No	Service; Actor
Keilor et al. (2000)	No	Service; Actor
Persson (1999)	Yes	Process; Service; Actor
Marshall et al. (1999)	No	Service; Actor

Biong and Selnes (1995)	No	Service; Actor
Salmi (1995)	No	Actor
Håkansson and Snehota (1995)	Yes	Actor
Moon and Armstrong (1994)	Yes	Process; Service; Actor
Paliwoda and Bonacorsi (1993)	No	Process; Service; Actor
Callahan (1992)	No	Service; Actor
Hallén (1992)	No	Actor
Leigh and McGraw (1989)	No	Actor
Waluszewski (1989)	No	Actor
Liljegren (1988)	No	Process; Service; Actor
Moncrief (1986)	Yes	Actor
George et al. (1986)	No	Process; Service; Actor
Dunn and Thomas (1986)	No	Process; Service; Actor
Klint (1985)	No	Process; Actor

Håkansson (1982)	Yes	Actor
Cunningham and Turnbull (1982)	No	Service; Actor
Dunn et al. (1981)	No	Service; Actor
Gummesson (1979)	No	Service; Actor
Turnbull (1979)	Yes	Service; Actor

As noted above, among the studies that created new concepts, only the conceptualisations presented by Persson (1999) and Moon and Armstrong (1994) discussed the selling process, service component, and actor level. Gummesson (2002), Turnbull (1979), and Forsström (2005) conceptualised only the service and the actor level, and Moncrief (1986), Håkansson (1982), and Håkansson and Snehtota (1995) incorporated only the actor level.

Although these studies are classified as 'empirically derived' in this discussion, there was considerable variation in the extent to which they relied upon empirical data. The studies presented by Moncrief (1986), Persson (1999), Turnbull (1979), Håkansson and Snehota (1995), Gummesson (2002), Forsström (2005), and Moon and Armstrong (1994) did create concepts; however, if a strictly inductive criterion is employed, only Moon and Armstrong (1994), Turnbull (1979), and Forsström (2005) can be classed as truly 'empirically derived'. Furthermore, given that Forsström (2005) and Turnbull (1979) did not focus on the selling process (because their emphasis was on value creation and the role played by individuals in buyer–seller relationships), the only study that can be classified as producing empirically derived concepts of complex selling processes is that of Moon and Armstrong (1994) (regarding the various roles of a selling team).

Thus, despite the acknowledged difficulties in defining the terms 'empirically derived' and 'new concepts', it is apparent that the creation

of new concepts based on empirical evidence has not been an explicit objective of the overwhelming majority of studies considered in this literature review; indeed, the desirability of creating new concepts is rarely articulated explicitly.

2.6 Implications of the literature review

In conclusion, this literature review has revealed several points of interest regarding the way in which complex selling processes are conceptualised. The preceding discussion can be summarised as follows:

- Although there are several studies in the literature that have described complex selling processes, few have been based on empirical data.

- Although overall complexity and problem solving have frequently been mentioned in the literature, the implications of the *service* dimension for selling processes are not discussed extensively.

- Very few studies in the literature have aimed to create new concepts, and even fewer have created concepts that reflect the involved actors' experiences and interpretation and/or describe the social processes taking place.

Putting these three points together, it can be concluded that there is a need for new concepts that put empirical data into context and thus capture (to a greater extent than has previously been the case) the complexity present in sales processes—especially the complexity induced by: (i) the emerging importance of the *service* dimension in sales offerings; and (ii) a greater awareness of the role played by social interaction and personal relationships.

This conclusion is in accordance with recent calls for: (i) "reconceptualization" (Gummesson 2005); (ii) a focus on individuals (Gummesson 2006, Celuch et al. 2006, Haytko 2004, Alajoutsijärvi et al. 2001); and (iii) new theoretical formulations in the field of marketing (Gummesson 2005, 2006, Veludo et al. 2001, and Lowe 2001).

Moreover, this conclusion is in accordance with the views of Williams and Plouffe, (2007, p. 417), who have argued cogently that:

> … researchers appear to paint an overly simplistic view of the activities and attributes of the individual salesperson [and] have only begun to tap into the issues and complexities associated with the domain of B2B services.

It can also be argued from the findings of this literature review that new research methodologies are required to illuminate these complex processes. In particular, there is a need for a study of an exploratory nature that has the specific objective of creating categories that reflect the perceptions and challenges of real actors involved in selling processes. The insights gained from such a study would have real practical significance. As Weitz et al. (1986, p. 178) have prudently observed, such categorisation "… enables salespeople to cope with their complex selling environment".

In an attempt to generate such empirically derived concepts and categories, the present study therefore chose to adopt a 'grounded theory' approach. This methodology was chosen because it provides a systematic way to develop empirical derived concepts that reflect the involved actors' experiences.

By this means, the overall purpose of this study is likely to be fulfilled. In other words, by utilising the empirically based concepts derived by the proposed methodology, it is anticipated that understanding of complex selling processes will be substantially enhanced.

Chapter 3

In Pursuit of a Conceptual Theory

3.1 Introduction

As indicated in Chapter 1, the aim of this study is to facilitate understanding of the complex selling processes of contemporary industrial markets in a broader social context by developing relevant conceptual theory consisting of empirically derived concepts. In pursuit of this objective, the study adopts so-called 'grounded theory' methodology (Glaser and Strauss, 1967; Glaser 1978, 1998, 2001, 2007). This methodology is especially suitable for the present study for the following reasons:

- First, this methodology is capable of developing empirically derived concepts and theory.

- Secondly, the methodology produces concepts that reflect the experiences and interpretations of the involved actors.

- Thirdly, the concepts developed by this methodology aim to grasp the core social processes of the phenomena under investigation.

- Finally, the concepts and theory developed by the methodology put isolated empirical data in a broader context, thus facilitating the conceptualisation of multi-dimensional phenomena (such as complex selling processes).

The study thus aims to develop conceptual *theory* by a specifically chosen *methodology*. This chapter substantiates this aim and the choice of methodology by: (i) exploring the *concept of a scientific theory* (Section 3.2); (ii) canvassing the issues involved in *choosing a scientific methodology* (with special reference to 'grounded-theory' methodology)

(Section 3.3); and (iii) presenting the *research methodology actually utilised in the present* study (Section 3.4).

3.2 The nature of conceptual theory

3.2.1 Dimensions of a scientific theory

According to Alvesson and Sköldberg (1994), a scientific theory has three distinct properties: (i) *correspondence*; (ii) *understanding*; and (iii) *usefulness* (the reason for choosing this model in this discussion is that these properties are related to discussions in the grounded theory literature regarding properties of a grounded theory). This can be illustrated as shown in Figure 3.1:

Correspondence   Understanding

Usefulness
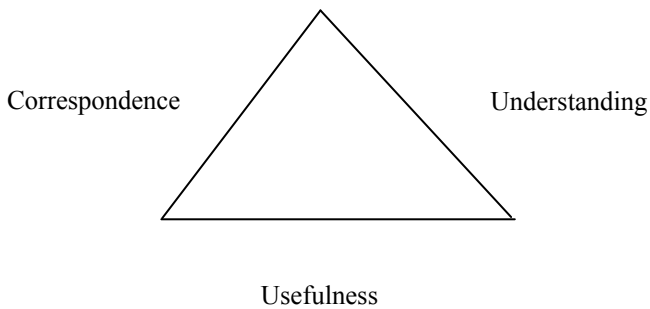
Figure 3.1 Properties of a scientific theory (Alvesson and Sköldberg, 1994)

According to Alvesson and Sköldberg (1994), a theory: (i) should have elements of all three dimensions (even if some dimensions are emphasised more than others in a particular theory); and (ii) might be more or less true with respect to certain dimensions (but not others). These three dimensions can be considered as 'desiderata' for scientific theories—that is, these dimensions not only represent 'properties of a theory', but also more general 'aims of science', all of which have significant methodological and theoretical implications.

The following sections of text consider each of the specific dimensions suggested by Alvesson and Sköldberg (1994) and the applicability of each to grounded-theory methodology. This is followed by an overall summary of the applicability of the dimensions to grounded-theory methodology.

3.2.2 Dimension of correspondence

The extent to which theoretical statements correspond to facts was extensively discussed by Popper (1963, 1972), who contended that 'correspondence to the facts' is another way of saying that a statement is 'true'. However, while emphasising 'correspondence to the facts', Popper (1972, p. 355) nonetheless argued that "… satisfactory theories must, as a matter of principle, transcend empirical instances which gave rise to them".

The basis for Popper's argument was Tarski's (1933, 1944) theory of truth, which, according to Popper (1963, p. 223) "… rehabilitated the correspondence theory of absolute or objective truth". According to Popper (1963), any valid criterion for scientific truth requires subjective criteria for truth (such as 'belief') to be replaced with the notion of 'correspondence to the facts'. Thus, according to Popper (1963), a scientific procedure must lead to the establishment of 'objective' and 'true' knowledge. However, to understand what he meant by the terms 'objective' and 'true', it is necessary to undertake a brief exploration of Popper's (1972) understanding of the role and properties of scientific theory.

According to Popper (1972), the aim of scientific theory is twofold: (i) *theoretical* (which can also be termed 'explanation'); and (ii) *practical* (which incorporates 'prediction' and 'technical explanation'). Popper (1972) emphasised that the aim of science is to provide "satisfactory explanations" of things that are "in need of explanation". To do so, scientific enquiry requires testable hypotheses. As Popper (1972, p. 356) observed:

… an analysis and comparison of the degrees of testability of different theories shows that the testability of a theory grows with its *degree of universality* as well as with its degree of *definiteness*, or *precision*. [emphasis in original]

According to Popper (1972), scientists propose conjectures that are then subjected to attempts to refute them. By a process of 'empirical falsification', Popper (1972) argued that scientific progress occurs as theories are tested and discarded, to be replaced with new theories that have greater universality, precision, and explanatory power than the preceding formulations. As Popper (1972, p. 80) noted: "*From the point of view of objective knowledge, all theories therefore remain conjectural*" [emphasis in original]. Objective and true knowledge is thus derived from a process of empirical falsification that determines which statements 'correspond to the facts' and can therefore be regarded as scientific 'truth'.

In terms of grounded-theory methodology, certain aspects of the 'correspondence' dimension are clearly relevant. For example, referring to grounded theory, Glaser and Strauss (1967, p 237) noted that "… the theory must closely fit the substantive area in which it will be used". Similarly, Glaser (1998) contended that this notion of 'fitness' can be equated with 'validity' in that it describes the extent to which concepts and theory reflect the data from which they are generated.

Further evidence of the relevance of the dimension of 'correspondence' to grounded theory has been provided by Glaser (1978), who noted that grounded theory should 'work', by which he meant that it should be able to 'explain', 'predict', and 'interpret' what is happening in a specific area of interest. Taken together, the requirements that grounded theory should 'fit' and 'work' constitute the notion of 'relevance', which can be defined as a theory's ability to grasp the core problems and processes of the subject under investigation. Such a core process (or 'basic social process') is denoted in grounded theory as a 'core category'.

According to Glaser (1978), such a 'basic social process' consists of two or more stages, and can therefore be characterised as 'processual'. In addition, a 'basic social process' has several other properties, including: (i) being 'pervasive' (by which is meant a fundamental process that continues over time "irrespective of the conditional variation of place"); and (ii) having 'full variability' (by which is meant a process that can be found in different places in different forms).

On the basis of the above discussion, it can be argued that grounded-theory methodology incorporates certain presumptions that have similarities to the scientific 'canons' proposed by Popper (1963,

1972). In particular, the insistence that grounded-theory categories should 'fit' the empirical data and the emphasis on a core category grasping the basic social process that (presumably) exists in the empirical field are both clearly related to the scientific dimension of 'correspondence'. These aspects of grounded theory are in accordance with Popper's (1963, 1972) insistence on the existence of objective facts that are independent of the researcher and the need to determine the extent to which theoretical statements 'correspond' to these facts. Moreover, the 'basic social process' of grounded-theory methodology resonates with Popper's (1963, p. 241) contention that "[a] new theory should proceed from some *simple*, *new*, and *powerful unifying idea"*[emphasis in original] that connects previously unconnected things.

Another similarity between grounded-theory methodology and Popper's position is the latter's criterion of 'transcendence', whereby "satisfactory theories must … transcend empirical instances which gave rise to them" (Popper, 1972, p. 355). In a similar vein, Glaser (1978) argued that a grounded theory repeatedly places a researcher 'beyond' the data to new research problems and ideas; that is, the theory 'transcends' the substantive field of interest by being more general and abstract than the data from which it is derived.

Nevertheless, despite these similarities, it is acknowledged that there are also salient differences between the so-called 'positivist' tradition (commonly associated with Popper) and grounded theory. In particular, Glaser (1978, p. 5) insisted that grounded theory should also be "modifiable" during and after the data-collection process when he observed that "… nothing is sacred if the analyst is dedicated to giving priority attention to data". This property of 'modifiability' is not consistent with the 'falsification' criterion of science as proposed by Popper (1963, 1972); however, it is noteworthy that the 'falsification' criterion itself has been subjected to criticism (Laudan, 1977, 1996).

3.2.3 Dimension of understanding

As previously noted, the second dimension of a scientific theory proposed by Alvesson and Sköldberg (1994) was the dimension of *understanding*. According to Ödman (1979), the hermeneutic tradition in natural science focuses on 'understanding' the world—that is, it focuses on establishing meaning and interpretation. In Ödman's (1979) view, this understanding can be characterised as 'inter-subjective'—in that it is established through

a 'dialogue'. Ödman (1979) identified three forms of interpretation within the hermeneutic tradition: (i) 'elementary interpretation' (which refers to everyday interpretations during daily activities); (ii) 'narrative interpretations' (which involve a higher level of abstraction in the process of interpretation); and (iii) 'scientific interpretations' (which are more abstract interpretations made by a researcher). According to Ödman (1979), the last of these, scientific interpretations (or theories), are more formal than the other two types of interpretation, and usually incorporate a broader span of incidents.

Giddens (1984) acknowledged that theories are more formal than other types of interpretations, but noted that it is more difficult to establish definitive categories of interpretation in the social sciences than it is in the natural sciences. For example, Giddens (1984) described what he termed 'double hermeneutics', which occurs when 'second-order concepts' created by sociologists become 'first-order concepts' by mediating so-called 'frames of meaning', whereby actors orient themselves in their everyday activities.

Giddens (1984) and Ödman (1979) thus focused on what might be termed the 'dialogical' nature of understanding. Other hermeneutic philosophers have focused on the *context* of the research and the researcher. For example, Gadamer (1975, p. 361) contended an understanding of a phenomenon requires researchers to recognise their own prejudices and noted that: "… to be situated within a tradition does not limit the freedom of knowledge but makes it possible". However, Gadamer (1975, p. 267) acknowledged that scientists must examine the legitimacy of the "fore-meanings dwelling within him", and must adapt these beliefs according to the phenomena being studied if they are to arrive at the 'truth'.

In terms of grounded-theory methodology, the dimension of 'understanding' is clearly relevant. According to Glaser and Strauss (1967, p. 237), grounded theory in any given area must be "*understandable* by laymen concerned with this area"[emphasis in original]. Such understanding is essential to the usefulness of the theory because it "sharpens [laypersons'] sensitivity" with regard to present problems and potential solutions. To accomplish this, Glaser and Strauss (1967, p. 240) argued that the crucial concepts need to be both "analytical" and "sensitizing". Such a 'sensitizing concept' is, according to Glaser (2001), a concept that has an instant 'grab', which enables

people to see an underlying pattern in the things that are going on in the area of interest. When a theory consists of such concepts, actors can understand the theory in the light of their own personal experiences.

In summary, grounded theory's insistence that concepts should be 'abstract' corresponds to Ödman's (1979) categorisation of a hermeneutic scientific theory as a third order of interpretation. Furthermore, grounded theory's focus on producing so-called 'sensitizing concepts' can be related to Giddens' (1984) contention that a hermeneutic theory merges with the existing conceptual framework of the actors involved in the phenomenon under study. Finally, Gadamer's (1975) views on 'prejudices' are also relevant to grounded-theory methodology, in which the vexed question of the researcher's presumptions is a recurring issue for discussion (Glaser, 1998). Indeed, it can be argued that, just as Gadamer (1975) was reluctant to abandon the notion of one 'true' interpretation, grounded theory also searches for the 'core process', which can only be discovered if the researcher is able to ensure that pre-existing prejudices play no part in the research process.

Finally, although Glaser (1978) did note that there should be a separation of data from theory in grounded-theory methodology, the methodology does allow for a 'dialogic' research process. This resonates with Giddens' (1984) description of a 'merger' between the framework of the researcher and that of the involved actors, which implies a diminishing linguistic and conceptual distance between the object of the study and the researcher.

3.2.4 Dimension of usefulness

As previously noted, the third dimension of a scientific theory proposed by Alvesson and Sköldberg (1994) was the dimension of *usefulness*. In this regard, Laudan (1977, p .70) contended that "the central cognitive test of any theory … [is] its adequacy as a solution of certain empirical and conceptual problems". Laudan (1977, p. 15) defined such an 'empirical problem' as "… anything about the world which strikes us as odd, or otherwise in need of explanation".

According to Laudan (1977), empirical problems can be divided into three categories: (i) 'unsolved problems' (which are empirical problems that have not yet been solved by any theory); (ii) 'solved problems' (which have been solved by an existing theory); and (iii)

'anomalous problems' (which are not solved by a particular theory, but which are solved by a competing theory). According to Laudan (1977, p. 18), "… one of the hallmarks of scientific progress is the transformation of anomalous and unsolved problems into solved ones".

Whereas Laudan (1977) referred to 'empirical problems' as 'phenomena' that have not yet been satisfactorily explained, Jensen (1995) referred to a 'practical problems' for which it is possible "to imagine a different, more desirable situation".

In addition to treating 'empirical' (or 'practical') problems, both Laudan (1977) and Jensen (1995) also discussed 'conceptual' problems. According to Laudan (1977, p. 48), a 'conceptual problem' is a problem that is "… exhibited by some theory or another". This implies that conceptual problems cannot be viewed in isolation from theories, which sometimes is the case with empirical problems. The relationship between theory and conceptual problems was explained by Laudan (1996, p. 81) in the following terms: "… a theory solves or eliminates a conceptual problem when [the theory] fails to exhibit a conceptual difficulty of its predecessor". In a similar vein, Jensen (1995) argued that a theoretical problem occurs when there is something wrong with existing theory, which can be manifested as contradictions that are puzzling. Jensen (1995) also commented upon the relationship between theoretical problems and practical problems and concluded that the solution of a practical problem sometimes requires more knowledge in a specific area of interest, which, in itself, can constitute a conceptual problem.

In terms of grounded-theory methodology, the dimension of 'usefulness' is clearly relevant. Indeed, Glaser (1998) stated that grounded theory can provide two useful contributions to conceptual problems. First, in practical terms, grounded theory can 'open up' a particular area by providing concepts that are appropriate to the real contemporary activities and challenges of that area of interest. Secondly, in a more theoretical sense, grounded theory can synthesise and integrate existing concepts into a broader view. In both cases, grounded theory clearly fulfils the criterion of 'usefulness'.

Moreover, the focus of grounded-theory methodology is often on how actors control their daily endeavours. In the words of Glaser and Strauss (1967, p. 237), grounded theory provides the user with "… partial *control* over the structure and process of daily situations as they change

through time"[emphasis in original]. This useful function is accomplished by the application of a grounded theory that consists of both 'controllable variables' (which give the user a feeling of control in situations of change) and 'access variables' (which provide access to existing controllable variables).

However, although grounded-theory methodology certainly has the property of 'usefulness', the effectiveness of this dimension is dependent on the dimension of 'understanding'. According to Glaser and Strauss (1967), it is important that the concepts generated by grounded theory are not so abstract that the 'sensitizing' effect is lost. As Glaser (2007) observed, the properties of understanding and usefulness are both natural consequences of a theory that is well grounded in the empirical field. It is thus apparent that the actual 'groundedness' of a theory determines its ability to facilitate both understanding and usefulness for the involved actors.

3.2.5 Summary of applicability of dimensions to grounded theory

It is apparent from the above discussion that all three dimensions of scientific theory identified by Alvesson and Sköldberg (1994) ('correspondence', 'understanding', and 'usefulness') have their place within the methodology of grounded theory. It would thus seem that certain aspects of grounded-theory methodology are in accordance with the rationale and objectives of the various traditional research methodologies. For example, there are clearly similarities between grounded-theory methodology and the so-called 'positivist' tradition, as formulated by Popper (1967, 1972). In particular, both approaches aim to identify something that lies in the empirical field waiting to be discovered. Moreover, both approaches aim to generate transcending theories, and both seek to unify previously disconnected phenomena.

It can also be argued that there are similarities between grounded-theory methodology and the hermeneutic tradition. For example, both approaches focus on the establishment of meaning and interpretation through 'inter-subjectivity' and dialogue. Moreover, with regard to the vexed issue of researcher prejudices, there are resemblances between grounded theory and Gadamers' (1975) emphasis on the role of 'fore-meanings' in arriving at the 'truth'.

With regard to the three specific dimensions, it can be argued that 'usefulness' and 'understanding' are especially applicable to grounded theory. The dimension of 'usefulness' is probably the most emphasised property within grounded-theory methodology, and the preceding discussion has demonstrated that this property is strongly linked with the dimension of 'understanding'. However, despite the influence of the positivist tradition on grounded-theory methodology, it is acknowledged that the dimension of 'correspondence' has a slightly different meaning within grounded theory from that ascribed to it in the positivist research tradition. More precisely, 'correspondence' in the grounded-theory methodology refers to the production of *relevant* theory that is *useful* for the actors in the area of interest, whereas 'correspondence' in the positivist tradition has always referred to a 'true' theory that corresponds to the 'facts'. This difference of emphasis with respect to the dimension of 'correspondence' obviously has implications for the notion of 'accuracy'. In this regard, Glaser (2003) downplayed the importance of 'accuracy' in grounded theory when he argued that this is not a first priority for grounded theory because the methodology expressly envisages that theory will be continuously modified in accordance with new data; as a consequence, grounded theory is always in progress and never 'finalised'. Indeed, Glaser (2003, p. 130) contended that "worrisome accuracy" is not the issue for grounded theory because the principal focus for grounded theory is whether it explains "how a main concern is continually resolved in a substantive area and its general conceptual applicability". This pragmatic position can be contrasted with the emphasis on the notion of 'objective truth' in the positivist tradition, which was expressed by Popper (1967, p 226) in the following terms: "… the very idea of error, or of doubt, (in its straightforward sense) implies the idea of an objective truth which we may fail to reach".

An inference from this discussion is that grounded-theory methodology has significant affinity with philosophical positions that emphasise the dimensions of 'understanding' and usefulness', but a somewhat different interpretation of the dimension of 'correspondence'. In terms of the model of Alvesson and Sköldberg (1994), grounded theory can thus be positioned as shown in Figure 3.2:

Correspondence

Understanding

• Grounded Theory

Usefulness
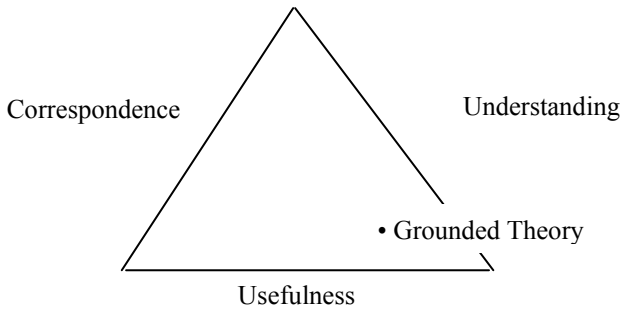
Figure 3.2 Positioning grounded-theory methodology within the model of Alvesson and Sköldberg (1994)

In conclusion, a grounded theory can be understood as a conceptual theory that primarily aims to enhance *understanding* and be *useful* in the substantive field of interest. However, the third dimension, that of *correspondence*, is interpreted within grounded theory as the ability to depict reality in terms of relevance and usefulness, rather than as a theoretical property of objective 'truth'.

3.2.6 Accuracy and credibility

The above discussion raises the issue of what is meant by the notions of 'accuracy' and 'credibility'. By adopting a more instrumental and pragmatic view of 'truth' (and the cognitive goals of science in general), grounded-theory methodology ostensibly leaves itself open to criticism with regard to the notions of 'accuracy' and 'credibility'. As previously noted, this was not a problem for Glaser (2003, p.130), who contended that the issues of "worrisome accuracy" and whether a theory is 'true' or 'false' are not relevant when pursuing theory that is, by its very nature, subject to continuous modification as it aims to solve empirical and conceptual problems. However, if accuracy is not to be regarded as the primary criterion for judging the credibility of a theory generated by grounded-theory methodology, other criteria of credibility will obviously be required. In this regard, Glaser (1998) offered the following criteria of credibility of a grounded theory:

- *Fit:* which, according to Glaser (1998) is another word for 'validity'. The term 'fit' refers to whether the concepts generated in a grounded theory adequately describe patterns in the data. In grounded-theory methodology, 'fit' is continuously sharpened during the research process by ongoing comparison of incoming data with existing categories.

- *Workability:* which refers to whether the concepts account for the main concern of the participants and how it is continually resolved.

- *Relevance:* which refers to whether the theory is important to the practitioners and whether it evokes instant 'grab'.

- *Modifiability:* which implies that the theory is never 'wrong'; rather it is continuously modified because, as argued by Glaser (1998, p. 19), "new data never provides disproof, just an analytical challenge".

All of these 'credibility criteria' were applied in the present study. The precise manner in which they were applied is described in a later section of this chapter (see '3.4 The research process for the present study').

Having discussed the concept of a scientific theory, and the related issues of accuracy and credibility, it is now appropriate to turn to the actual *pursuit* of a scientific theory and how a scientific methodology is chosen.

3.3 Choosing a scientific methodology

3.3.1 Means and ends in science

With regard to the means that are adopted to achieve a certain end in scientific enquiry, there is a dispute about processual credibility between what might be termed the 'positivist perspective' and the 'relativist perspective'.

From the 'positivist perspective', there is a belief that strict adherence to certain methodological 'rules' will invariably result in the

objective 'truth'. Popper (1967) thus argues that methodological choice is based on axiomatic conventions (such as 'correspondence to the facts'), and that there is therefore no room for discussion about how different methodological alternatives might fulfil different objectives. In essence, this 'positivist' position is based on the traditional scientific model of rationality, which consists of three levels of agreement (or disagreement): (i) matters of fact or theory; (ii) matters of methodology; and (iii) cognitive goals or aims of science. According to this schema, disagreements on the first (fact or theory) level are settled at the second (methodological) level, disputes at the second (methodological) level are settled at the third (cognitive or axiological) level, and disagreements about the third level (such as the cognitive goals of science) are irresolvable.

In contrast, from the 'relativist perspective', Feyerabend (1975) suggested that adherence to prescriptive methodological principles can represent a hindrance to the attainment of scientific knowledge. According to this view, history shows that scientific progress has, more often than not, resulted from the abandonment of strict methodological principles because *all* methodologies, no matter how well conducted, have their limitations. Feyerabend (1975) therefore advocated the use of so-called 'counter-induction', which involved the utilisation of a combination of various methodological perspectives, including non-scientific methods, in order to develop knowledge of reality. In effect, Feyerabend's (1975) position is that 'anything goes'—a position that is not amenable to arguments about the justification of a chosen methodology. Indeed, Feyerabend (1975) questions whether there is *any* connection between idea and action in arguing that scientific progress often results from the actual *dismissal* of reason. For example, Feyerabend (1975) argued that the idea of starting with a problem that needs to be solved should be abandoned because, in his view, most human achievement begins with extraneous (and non argumentative) activities, such as play.

It is thus apparent that the logical conclusion reached by extrapolation of both the extreme 'positivist perspective' and the extreme 'relativist perspective' is that the ultimate cognitive aims of science (and hence the choice of methodology) are not amenable to rational debate. The approach adopted in the present study is a compromise between the extremes of either the 'positivist perspective' or the 'relativist

perspective'. The present study contends that the use of a particular methodology can certainly facilitate the research process by enabling the researcher to draw upon the knowledge and experiences built into that methodology; however, this does not mean that strict adherence to prescriptive methodological principles should prevent pragmatic adaptation to the varying specific circumstances that can be encountered in a given research project.

This compromise position reflects the fact that neither the extreme 'relativist perspective' nor the extreme 'positivist perspective' represents the essentially pragmatic view of methodological justification adopted by grounded-theory methodology. But this does not mean that the compromise position adopted here lacks scholarly support within the scientific community. Indeed, a well-documented view that closely resembles the approach adopted here (which is also the approach that is apparent within grounded-theory methodology) is that of Laudan (1984, 1996). According to Laudan (1984, 1996), the cognitive aims of science are *not* immune to debate, even among different paradigms. In support of this view, Laudan (1984) presented a reticulated model of scientific rationality (as illustrated in Figure 3.3).
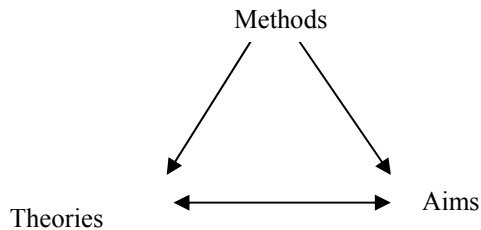
Figure 3.3 A simplified version of Laudan's (1984) triadic network of justification

As can be seen in the diagram, this model consists of the three elements of the traditional scientific model of rationality noted above—(i) 'theories'; (ii) 'methods'; and (iii) 'aims'. However, in contrast to the

traditional model, the three elements are connected in what might be termed a 'triadic network of justification'. This means that the three elements are posited as being *interrelated* (rather than being posited as separate hierarchical 'levels'). As a result, a decision with respect to one element can be motivated from a position with respect to another element. For example, just as issues of facts (or theories) can constrain methods, so methods can justify theories; similarly, aims can justify methods, but methods must exhibit 'realisability' with respect to selected aims. This model thus carries two important implications:

- that a scientific aim is justified by being methodologically 'realisable'; and

- that matters of fact (or theory) must harmonise with aims.

This model differs from the position adopted by both the extreme 'positivist perspective' and the extreme 'relativist perspective' by enabling different aims in science to be subjected to a justification process that goes beyond conventions and paradigms. By adopting a pragmatic criterion of 'realisability', the model thus transcends both the positivist search for 'true' theories (which is difficult to maintain because it is impossible to ascertain the extent to which a nebulous criterion such as 'truth' has been realised) and the relativist position that the different aims of science (and hence methodologies) are incommensurable. In other words, if decisions about scientific aims and methods are based on the 'triadic network of justification', such decisions become an exercise in empirical comparison, rather than a matter of adherence to conventions.

The present study draws upon this 'triadic network of justification' in adopting a pragmatic problem-solving approach that incorporates interrelated elements of justification rather than the traditional hierarchical model of levels of rationality. This implies that:

- the aim of the study is justified on empirical, theoretical, and methodological grounds;

- the methodology is chosen on the basis of the particular objective of the study (and can be adapted to the particular circumstances of the study); and

- extant theories are handled in a manner that is consistent with the objective of the study.

In summary, the purpose of this study can be justified not only on the basis of empirical and conceptual considerations (as discussed in earlier chapters), but also on the basis of methodological considerations (that is, being methodologically 'realisable'). The choice of grounded-theory methodology can thus be justified on its merits as a methodology that is capable of producing a conceptual theory that matches the aim of this study. However, having chosen this particular methodology, the study reserves the right to modify the methodology in accordance with the particular events and phenomena that arise in the course of the investigation. Finally, with regard to the question of consistency between theories and methodology, the present study reviews the extant literature with a focus on concepts and conceptualisations, rather than theoretical connections.

3.3.2 The grounded-theory research process

The grounded-theory research process consists of several specific steps. According to Glaser (1978, p. 44), initial decisions on data collection should be based on a "sociological perspective [of a] general problem area", rather than on a "preconceived conceptual framework". The researcher thus begins with an attitude of 'openness', which ensures that the "the emerging of concepts never fails" (Glaser 1978, p. 44).

The next step involves the production of different categories by 'constant comparison' of data through a procedure known as 'open coding' (Glaser, 1967, 1978). According to this procedure, which permeates the whole research process, "incidents are compared to incidents [and then] concepts to more incidents" in order to generate more conceptual properties. Finally, concepts are compared to concepts in order to integrate the theory.

By continuing this procedure of constant comparison, the researcher then establishes a "core category", which is a category that holds all other categories together. When the core category has been created, the researcher undertakes the process of 'selective coding' (Glaser, 1978), whereby incoming data are compared to the core category in a more precise manner than when the categories were first established.

In this process of 'selective coding', only variables related to the core category are considered.

The way in which the various categories are related is considered under a process of 'theoretical coding' (Glaser, 1978). This process is facilitated by the writing down of so-called 'theoretical memos' that elaborate on the theoretical codes. These 'theoretical memos' represent immediate notations of emerging ideas about categories and their interrelatedness. These memos are then sorted into a theoretical outline. Finally, a process described as 'theoretical writing' is undertaken, whereby all the details of the substantive theory are brought together in an overall conceptual description that is then integrated with (or 'weaved into') the extant literature on the subject.

It is noteworthy that these various steps are, to a greater or lesser extent, *conducted concurrently* during the overall research process. In doing so, all the steps, from data collection to analysis, are guided by the 'emerging theory '(Glaser, 1978). This means that the each session in the continuous process of data collection is determined by the previous sessions in which the data have been closely examined. This process is known as 'theoretical sampling' (Glaser and Strauss, 1967). This data-collection process continues until 'theoretical saturation' (Glaser and Strauss, 1967) is reached, which indicates that the substantive theory has been satisfactorily developed.

3.4 The research process for the present study

3.4.1 Steps in the research process

The methodology adopted for this study of complex selling processes in industrial markets can be divided into three steps: (i) case selection; (ii) data collection; and (iii) analysis. The last of these can be further subdivided into two analytical levels: (i) development of the substantive theory; and (ii) contextualisation. Although some aspects of these various steps were often conducted concurrently during the actual research process, it is convenient to consider each of these steps separately in the discussion that follows.

3.4.2 Case selection

Three companies were selected as cases for the purposes of data collection: (i) a *global telecommunications company* (which acts as a vendor of telecommunications solutions, networks, radio systems, and services); (ii) a *Nordic-based information technology (IT) company* (which specialises in IT-outsourcing and project businesses); and (iii) a *smaller industrial services company* (which provides mechanical, automation, and electrical services to the industrial sector).

The initial contact in the research process was made with the telecommunications company because it was thought likely that this firm was already incorporating service concepts in its offerings. After two interviews had been conducted in this company, a small number of categories emerged. To examine these categories in more detail, further interviews were conducted in the same company, but within a different setting. More specifically, the first interviews had focused on the service dimensions of a 'hosting deal', whereas to the second round of interviews were with people who had been active in more 'traditional' infrastructure solutions.

Having created some more new categories, the question that arose was whether similar categories could be found in a different company. To address this question, the IT company was included in the data-collection process. After several interviews with persons at the IT company, there was a need to investigate the categories in even more detail, which led to the inclusion of the smaller industrial services company in the study.

In accordance with the grounded-theory principle of 'theoretical sampling', whereby potential new areas of enquiry are determined by previous analyses, new categories (and properties) were added to those that had already been identified. Eventually, the process reached 'theoretical saturation', which has been defined by Glaser (1978, p. 53) as occurring when "… no new properties emerge and the same properties continually emerge as one goes through the full extent of the data".

In general, the process thus followed the accepted grounded-theory methodology (as discussed above). However, it should be noted that difficulties were experienced in following the recommended practice of theoretical sampling in the setting chosen for this study. Unfortunately, the researcher was not accorded complete freedom to 'pick and choose'

among potential respondents and business divisions in the selected companies. It should therefore be recorded that the sampling procedure was based on a combination of researcher choice and company compliance.

3.4.3 Data collection

3.4.3.1 Interviews

Data were collected from a total of 21 interviews, each of which lasted for approximately 1-2 hours. The interviews were audio-recoded and subsequently transcribed, resulting in 1012 pages of transcribed data. Although grounded-theory methodology does not specifically include provision for recording and transcribing interviews, it was felt that this was a more efficient means of comprehensive data collection.

The use of leading questions was avoided during the interviews; rather, interviewees were asked to respond freely to general 'open-ended' questions about the challenges and difficulties they experienced during various business processes. In the initial stages of the interviews, the focus was on specific business cases, but as the discussion proceeded respondents were encouraged to speak more freely on a wider variety of topics. Finally, existing categories were allowed to guide the interviews to some extent. The way in which this process was utilised to develop the substantive theory is described in greater detail in a later chapter (see 'Chapter 5, The emergence of the substantive theory') and in Appendix 4.

The interviews conducted during this study are listed in Table 3.1

Table 3.1 Interviews conducted during the study

Interview	Date	Respondents	Company	Organisational context
No. 1	2005-02-28	Business director	Telecommunications company	Managing and coordinating global hosting businesses (headquarters)
No. 2	2005-02-28	Sales manager	Telecommunications company	Responsible for selling activities in global hosting deals (headquarters)
No. 3	2005-04-28	Tactical marketing manager	Telecommunications company	Marketing strategies, infrastructure solutions (headquarters)
No. 4	2005-05-11	Sales director	Telecommunications company	Sales and marketing function (accounts)

No. 5	2005-05-13	Project manager	Telecommunications company	Project manager (business unit network) responsible for delivery of network solutions (Japan/Sweden)
No. 6	2005-05-17	Market unit manager	Telecommunications company	Responsible for marketing and selling activities at market unit (accounts)
No. 7	2005-05-27	Sales manager	IT company	Sales manager for outsourcing projects
No. 8	2005-06-14	Project manager	Telecommunications company	Project manager (business unit network) responsible for delivery of network solutions (Sweden)

No. 9	2005-06-22	Key account manager	Telecommunications company	Key account manager (network solutions)
No. 10	2005-06-22	Managing director	Telecommunications company	Managing director (accounts)
No. 11	2005-08-25	Managing director	Industrial services company	Founder and director of industrial services company
No. 12	2005-09-22	Manager of mechanics division	Industrial service company	Responsible for delivery of mechanical services to industrial customers
No. 13	2005-09-26	Sales manager	Industrial services company	Responsible for overall sales and marketing activities

No. 14	2005-09-29	Key account manager	Telecommunications company	Key account manager (hosting solutions)
No. 15	2005-11-10	Marketing director	IT company	Marketing director and member of management team
No. 16	2005-11-24	Key account manager	IT company	Sales and business manager (outsourcing deals)
No. 17	2005-11-24	Project manager	IT company	Project manager (outsourcing deals)
No. 18	2005-11-28	Global sales manager	Telecommunications company	Global sales and marketing activities (hosting deals)

No. 19	2005-12-13	Senior business manager	IT company	Business manager with project responsibility – (outsourcing deals)
No. 20	2005-12-16	Business manager	IT company	Business manager (outsourcing deals)
No. 21	2005-12-23	Managing director	IT company	Managing director of Swedish division

3.4.3.2 Interactive lectures

In addition to the interviews, data were also collected from 25 interactive lectures (in which most participants had experience from complex selling proesses). During these lectures, the present author presented the substantive theory to a participatory audience consisting of managers from a variety of companies (the original three companies, plus others). Data were collected as feedback from the participants, which was utilised to confirm and/or develop the theory (aside from those interactive lectures, the theory has been presented to 1400 practitioners in the Nordic countries during the year 2008 and 2009. However, due to the size of these events, interactions between the present author and the participants were limited).

This form of data collection was thus different from that employed in the interviews. For the researcher, the format of an interactive lecture

required the presentation of the theory as a coherent whole, which was obviously different from asking exploratory questions of individual respondents. For the participants, the format of an interactive lecture presented them with a relatively 'fully formed' theory, which was obviously different from being asked individualised exploratory questions. The data collected from these two distinct methods of collection (responses to questions in an interview/feedback in an interactive lecture) were thus quite different in both form and content. Taken together, the two forms of data collection were complementary and synergistic in developing the substantive theory.

The interactive lectures conducted during this study are listed in Table 3.2.

Table 3.2 Interactive lectures conducted during the study

Interactive lecture	Date	Company	Participants
No. 1	2006-03-09	IT company	Key account manager (outsourcing) (1 person)
No. 2	2006-05-04	Industrial services company	Sales manager (1 person)
No. 3	2006-06-21	Telecommunications company	Managers from global services division (2 persons)

No. 4	2007-01-30	IFL/Marketing executive program	Managers from: Perimed AB, Vin och Sprit AB, Ericsson Microvave System, Folksam, Akzo Nobel, Wacker-Kemi AB, Celanese Emulsions Norden AB, Öhrlings Pricewaterhouse Coopers, FöreningsSparbanken, PokerStars, SG Equipment Finance, Casco Products AB, Fastighetsaktiebolaget Norrporten, Preem Gas AB, ELFA AB, Combitech, Fortum, Arbetslivsresurs Ar AB (22 persons)
No. 5	2007-03-16	Sandvik	Managers from the Coromant division (8 persons)
No. 6	2007-04-10	IT company	Sales director, business managers, project managers (10 persons)

No. 7	2007-05-02	Stockholm School of Economics/MTC (Marknadstekniskt Centrum)	Managers from: Volvo Bus Corporation, BAE Systems, Mazarin Ltd, WM Data Infra Solutions, Alomora AB, Volvo Truck Corporation, Uddeholm Tooling, AGA, Astra, Perstorp, Iggesund, Sandvik, Papyrus, Trelleborg AB, AlfaLaval, Stora Enso, Green Cargo AB, Uddeholm, ABB, FMV (40 persons)
No. 8	2007-05-14	IT company	Managing director and marketing director (2 persons)
No. 9	2007-05-31	Haldex	Vice-president (1 person)
No. 10	2007-06-19	IT company/Breakfast meeting	Business consultants, IT manager (7 persons)
No. 11	2007-06-26	Sectra	Vice-president (1 person)

No. 12	2007-08-08	BAE Systems	Managers responsible for marketing, sales and business development (6 persons)
No. 13	2007-08-21	Telecommunications company	Managers from management team at global services division (18 persons)
No. 14	2007-08-30	Alfa Laval Tumba AB	General manager (materials and chemistry centre) (1 person)
No. 15	2007-09-07	Papyrus	Marketing director and business unit manager (2 persons)
No. 16	2007-10-25	IFL/Hanken (sales leadership master class)	Managers from AGA, Cargotech, Kemira Grow How, Kone, Outotec, Saab Baracuda, Wärtsila, (19 persons)
No. 17	2007-10-31	Accent Equity	Managing director and partner (1 person)

No. 18	2007-12-21	PMP Marknadskonsult AB	Managing director and key account manager (2 persons)
No. 19	2008-01-16	InterVenture AB	Investment manager (1 person)
No. 20	2008-02-28	Mercuri International	Founder, managing director (Sweden), managing director (Norway) (3 persons)
No. 21	2008-03-27	MTC	Managers from Volvo Trucks, AGA, Posten, BAE Systems, CMG Logica, MTC (9 persons)

No. 22	2008-05-14	MTC	Managers from Volvo Trucks, AGA, Posten, BAE Systems, CMG Logica, MTC (9 persons)
No.23	2008-09-18	MTC	Managers from Volvo Trucks, AGA, Posten, BAE Systems, MTC (8 persons)
No. 24	2008-11-20	MTC	Managers from Volvo Trucks, AGA, Posten, BAE Systems, (8 persons)
No.25	2009-02-13	Volvo Trucks	Managers from Volvo Trucks (5 persons)

3.4.3.3 Credibility criteria

The 'credibility criteria' described in an earlier section of this chapter were applied as follows in the present study.

- *Fit:* By a process of 'constant comparison', data were continuously compared to existing categories, which were then modified to fit the patterns that were found in the substantive field of interest. In doing so, the researcher made every attempt to be conscious of personal prejudices and the extent to which they could affect the emerging theory.

- *Workability:* Feedback from the interactive lectures was utilised to assess and confirm the 'workability' of the emerging theory in terms of (i) whether it reflected the main concern of the participants; and (ii) whether it revealed how this concern is continuously resolved.

- *Relevance.* The criterion of relevance utilised in this study was based on Gustavsson's (1998) observation that a theory can be judged as *relevant* if the practitioners are willing to use it. In this case, such willingness was manifested by the active collaboration of several companies in a research project that was based on the substantive theory produced by the present study and established by MTC (Marknadstekniskt Centrum) and the Stockholm School of Economics.

- *Modifiability:* The theory was continuously modified (by reformulation of categories and addition of properties) during all phases of data collection—including both the interviews and the interactive lectures.

In addition to these 'credibility criteria' (as suggested by Glaser, 1998), the present study applied the criterion of 'transcendence' (as suggested by Gustavsson, 1998). According to this criterion, the categories that are produced should represent a higher level of abstraction than that of the original data. To accomplish this, the present researcher repeatedly revisited the categories and properties that had emerged with a view to examining them with an open mind. This led to a 'sharpening' of the names and scope of the various categories. In particular, the names of the categories gradually evolved from relatively 'functional' descriptions

to more abstract concepts that better reflected the complexity of the selling process. This reformulating process is discussed in more detail later in this thesis (see Chapter 5).

3.4.4 Analysis

3.4.4.1 Analytical level 1: Developing the substantive theory

The substantive theory was developed through the previously described processes of *coding*, *memoing*, *sorting*, and *theoretical writing*. This was achieved within an overall strategy of constant comparison and coded data, according to the recommendations of Glaser (1978).

In practical terms, the open coding of the data contained in the transcripts was governed by addressing the following questions (as adapted from Glaser, 1978):

- What is being studied in these data?

- What category does this incident indicate?

- What is actually happening in these data?

- What is the basic social process involved in the problem?

These questions directed attention towards both: (i) a specific search for categories and their properties; and (ii) a more general search for a basic social process.

When an interrelation (among category properties or among different categories) became apparent, a memo was written on that particular subject. For example, after the first interview, the first memo to be written dealt with the category of 'Power game—technological/market orientation', as follows:

This category illustrates the 'power game' between technological orientation and market orientation. It seems to describe what is going on in the buying organisation when the CTO meets the representatives of the telecom company that aspires to take over the operation of the system. In addition, it also describes what happens internally in the buying organisation between the CTO

and the market-oriented CEO. This category might be related to the categories of 'Personal characteristics', 'Gatekeeper problems', and 'Territorial thinking'.

During the process of open coding, the strategy of constant comparison was applied to: (i) incident to incident; (ii) concept to incident; and (iii) concept to concept. By this process, categories were formulated and properties were added. When a core category was distinguished, selective coding was utilised to delimit the coding process to include only those variables that were related to the core variable or core process. In practical terms, the core process was reformulated several times before a 'final' version was achieved.

The sorting and writing process was used concurrently with the coding processes to develop ideas on categories and their interrelatedness. For example, on several occasions memos were written with regard to ideas for an outline that incorporated a particular formulation of the core category and the way in which it was related to the other categories.

When it was apparent that a fairly substantive theory had emerged, this was committed to writing. However, the process of writing invariably led to new insights and further refinement of the categories and the outline. This process of continuous revision of the substantive theory as new insights became apparent continued through the whole research process.

3.4.4.2 Analytical level 2: Contextualisation

The second level of analysis contextualised the substantive theory with regard to the extant literature. The basis for the contextualisation process was three of the four questions which guided the literature search in chapter 2 (the question regarding empirical grounding was not used in the contextualisation process). This process focused on identifying and discussing the particular contributions and limitations of this study more in detail. In order to compensate for a limitation in the graphical illustration of the substantive theory, additional focus is also put on elucidating the message of dynamism in the substantive theory.

Chapter 4

The Substantive Theory

4.1 Introduction

In accordance with the methodological considerations presented in the preceding chapter, the aim of this grounded-theory study is to develop a substantive theory consisting of various categories that are related (or 'held together') by a core category. In the substantive theory of the present study, the various categories are interrelated processes and is illustrated in Figure 4.1:

Figure 4.1: The substantive theory
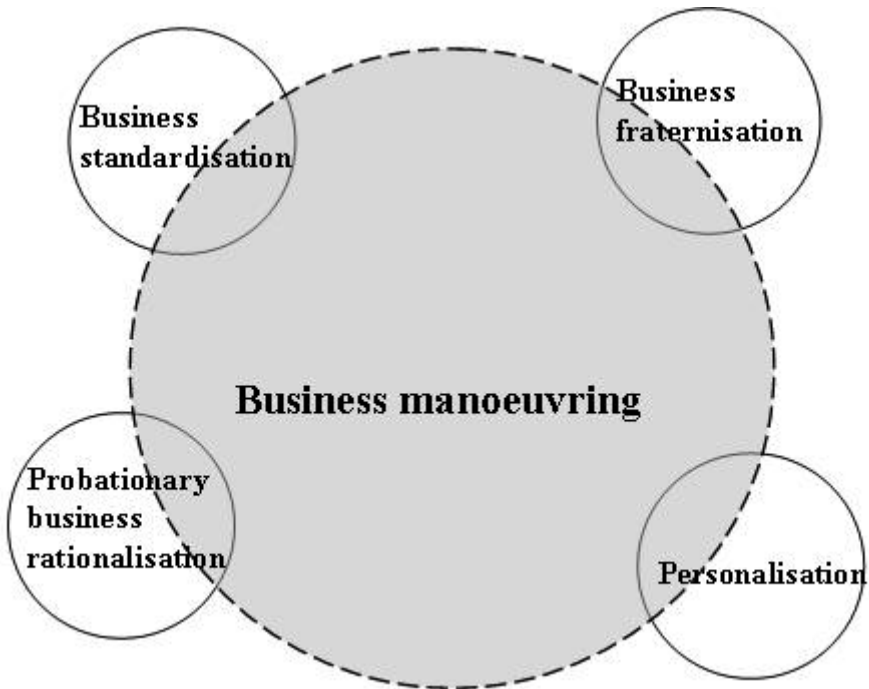
As shown in the diagram, the theory consists of four interrelated dimensions (or categories) which describe different activities and those are designated as follows:

- 'business standardisation' (in Swedish: *affärsstandardisering*);

- 'business fraternisation' (in Swedish: *affärskamratisering*);

- 'personalisation' (in Swedish: *personalisering*); and

- 'probationary business rationalisation' (in Swedish: *rationell affärsprövning*).

These four categories are directly or indirectly related to the core category, which is designated as:

- 'business manoeuvring' (in Swedish: *affärsbaxning*).

The core category describes the way in which selling firms manage the complementary processes of the four categories This is achieved incrementally, with the 'business manoeuvring' being conducted in a slightly different fashion each time (for a description on how this term was chosen, see Appendix 3).

The remainder of this chapter consists of a detailed discussion of each of these categories, with the core category being considered last. A summary of the categories (and their subcategories) can be found in Table 4.1.

4.2 Business standardisation

4.2.1 Overview of business standardisation

The category of 'business standardisation' includes three types of standardisation in business: (i) *purchasing standardisation*; (ii) *selling standardisation*; and (iii) *standardisation of the offering*. These three subcategories are illustrated in Figure 4.2.

Business
standardisation
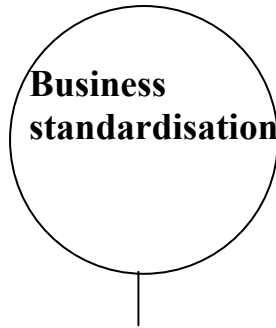
-Purchasing standardization

-Selling standardization

-Standardization of the offering

Figure 4.2 Business standardisation

4.2.2 Purchasing standardisation

As shown in Figure 4.2, the first subcategory in the category of 'business standardisation' is *purchasing standardisation.* The term 'purchasing standardisation' refers to the standardised procedures and documents that are adopted by buyers in the procurement process. Such standardised procedures and documents can be perceived by the selling firm as a hindrance to the development of a close collaborative relationship with the buyer, which is commonly regarded by salespersons as a prerequisite for designing and adapting solutions to complex customer requirements. Moreover, even if such standardised procedures include provision for interpersonal interaction between seller and buyer, the expectation of 'purchasing standardisation' can set a rather formal tone for the interaction process as a whole.

During an interactive lecture, the key account manager of the IT company studied in this thesis (coded as 'Respondent I:16' in this study)

argued that these standardised purchasing processes are not designed to meet the challenges that are inherent in purchasing complex solutions. He also contended that these standardised and inflexible processes have been developed to make decision-making processes appear 'rational' and 'professional', rather than 'personal'.

The global sales manager of the telecommunications company ('Respondent I:18') observed that insistence on a standardised purchase process renders other alternatives (such as collaborative relationships) less likely to occur because the negotiating parties are denied the opportunity to engage in shared learning and understanding. According to this respondent, a collaborative relationship is essential for the development of customer-specific service-based solutions:

> **You need to understand each other … to understand what can be done and what's not possible.**

Drawing an analogy with the purchasing process adopted by an individual consumer in a retail setting, Respondent I:18 continued:

> **If you are looking for things you buy yourself … there are a lot of alternatives … And if you don't know what you are looking for [although] you do know *something* … that is when you need help from someone**.

The managing director of the IT company ('Respondent I:21') argued that standardised procedures diminish the significance of the intangible dimensions of human interaction:

> **Hope, expectation and trust … the fact that both [parties] contribute to make this successful … We used to say [in marketing circles] that … all purchasing processes aim to formulate rational arguments for irrational decisions that have already been made!**

In effect, this respondent was contending that standardised purchasing procedures tend to make the procurement process *appear* more 'rational' and relatively immune from the vagaries of human interaction. Buyers sometimes attempt to formalise this by employing a procurement agent as a third party to handle the procurement process. Such a procurement agent can be introduced into negotiations at an

advanced stage of the process—even after several significant decisions have already been taken during informal negotiations. For example, this respondent related an anecdote about a planned 'informal' lunch meeting with the manager of a customer company. The respondent had been surprised to discover, upon his arrival, that the other party was accompanied by a procurement agent. This made it extremely difficult to conduct the planned 'informal' meeting on the basis of mutual understanding. According to the respondent, such a situation was certainly not an ideal platform for the establishment of a long-term collaborative relationship.

The telecommunications company had a similar experience in dealing with a customer firm that had established a separate specialised procurement division to handle all negotiations. According to the managing director of the marketing unit in the telecommunications firm ('Respondent I:10') the experience of dealing with the procurement agents was quite different from the way that he had conducted business in the past. He described the procurement agents as:

… completely cynical … What can't be written on a spreadsheet is of no interest to them … [They were completely uninterested in] such values as relationships.

Moreover, in this particular case, the procurement organisation insisted on communicating through so-called 'commitment letters', rather than face to face. It was expected that the telecommunications company would respond to these 'commitment letters' with the words 'compliant' or 'not compliant'. The sales manager of the telecommunications company ('Respondent I:4') felt that this was a somewhat odd arrangement in view of the fact that they had been discussing the existing contract with the actual customer on almost a daily basis during the preceding three years. However, at this point, the buyer's communication strategy, based on so-called 'commitment letters', suddenly changed— probably because the formalised procedure was proving to be ineffective at this stage of the negotiation process. The technical managers of the buying organisation then took over the discussion. However, after a number of meetings between these technical managers and the selling representatives of the telecommunications firm, the formal mode of communication was again imposed.

Reflecting on this experience, the managing director ('Respondent I:10') noted that the intervention of the procurement agents had significantly influenced the character of the relationship. Moreover, by formalising the relationship, they had also affected the quality of the solution that the customer ultimately obtained—because the subtleties of technical functionality are difficult to deal with in such a formalised process.

The problems that arise when the people handling the purchase process are not the actual users of the solution are not restricted to larger organisational settings. Although the industrial service company studied here was significantly smaller than the telecommunications company, the managing director of the services company ('Respondent I:11') stated that his company usually made deals with operational personnel at the buying firm because they are the people who are most familiar with the operational issues and how problems had been solved in the past. This respondent acknowledged that there does come a point when the purchasing department has to be involved. However, the formal process to specify the details should come *after* the essential discussions with operational staff. As Respondent I:11 explained:

The purchasing department is always trying to haggle on this and that … trying to get market prices … but the dialogue concerning 'whom' or 'how many people' … that is already settled.

Standardised purchasing processes also influence the way in which formal documents are drawn up. These documents often compare several alternative suppliers, which is not conducive to the collaborative development of solutions. A senior business manager at the IT company ('Respondent I:19') noted that the columns of comparative numbers in such a formal document are not conducive to genuine collaboration in sales discussions because the company that finds itself in 'column A' (so to speak) effectively sets the criteria against which the other firms are compared:

… one of the most important success factors is to be in 'column A' in the evaluation … you always want to be 'A' … the one that the rest are compared to.

The challenge is, therefore, for selling firms to establish a dialogue with their customers, such that sales discussions can have a positive influence on the way in which these formal means of control are designed and implemented. As Respondent I:18 observed with respect to this issue, such a constructive dialogue is more likely to occur if the selling firm already has a substantial relationship with the customer.

4.2.3 Selling standardisation

As shown in Figure 4.2, the second subcategory in the category of 'business standardisation' is *selling standardisation.* Just as the standardised procurement processes adopted by buyers can impinge upon the seller–buyer relationship, selling firms also have a tendency to standardise their processes. This subcategory includes:

- the establishment of central units for price negotiations;

- a trend to establish formal qualification forums to determine the deals that are to be pursued; and

- a tendency to standardise individual knowledge regarding the management of complex selling processes, with the aim of making this knowledge less dependent on certain individuals and thus more amenable to uniform internal learning processes regarding complex sales.

Each of these is discussed below.

Regarding the establishment of *central units for price negotiations*, the managing director of the marketing unit in the telecommunications firm (Respondent I:10') explained that there is sometimes too much individual creativity in these business processes:

I decided that I want a central price negotiation unit … We need centralissed competence … because there is too much local 'smartness' … too much local innovation on issues that have a generic answer.

The role of the second element in selling standardisation, *qualification forums*, is to decide which business deals to pursue and which to ignore. This is a crucial question to be resolved in view of the

substantial costs involved in the establishment and maintenance of selling teams for specific projects. The marketing manager at the IT company ('Respondent 'I:15') described the qualification forum that he created for handling these matters:

> **Included in this forum are sales managers from different divisions. [The forum] receives the relevant information from the responsible manager … often filled with questions … [before making a decision].**

With regard to the third element in selling standardisation noted above—*standardisation of individual knowledge to facilitate the learning process*—the sales manager needs to collect various sales experiences from different parts of the organisation, thus enabling sales personnel to learn from previous cases and hence improve future sales operations. This endeavour requires some 'standardisation' of disparate individual experiences. As a senior business manager at the IT company ('Respondent I:19) observed:

> **This process is very dependent on individual persons … but by working in a structured manner … and by including more and more people in the discussion … it becomes easier for new people to learn … and finally become as good as [experienced staff members]**

According to this respondent, such structures can significantly facilitate the internal learning process.

4.2.4 Standardising of the offering

As shown in Figure 4.2, the third subcategory of the category of 'standardisation' is *standardisation of the offering*. If service solutions are standardised to some extent, they become more 'tangible' and easier to communicate to both customers and internal personnel. However, such standardised service solutions are not immutable; rather, when sales representatives are engaged in personal communication with their customers the focus is on adapting solutions to address specific customer problems. Nevertheless, some standardisation of the service offering facilitates internal development processes and effective presentation of the offering to customers.

A good example in the telecommunications company was the so-called 'hosting' offering, which enables customers to have access to a network provided by the selling firm, rather than having to establish a separate network of their own. A standardised solution of this type was easier to sell than an *ad hoc* solution that was not standardised. The global sales manager of the telecommunications company ('Respondent I:18') commented upon this issue in the following terms:

> **It is fascinating … if we standardise something new, it is no longer all that strange … We brand it and market it as a [standardised] product … then everyone wants to buy it.**

Such a standardised offering not only facilitated communication with external customers, but also enhanced internal communication with staff. Because there was no need to explain the details of the offering in each separate instance, a standardised solution increased the efficiency of the internal processes of the selling firm. The project manager of the IT company ('Respondent I:17') explained the importance of efficient internal communication as follows:

> **If we can do this [internal communication] effectively … we can accomplish great things … We can be the market leader if what we do is based on [known] standards.**

It is noteworthy that a positive relationship exists among two of the subcategories of business standardisation noted above—purchase standardisation and standardisation of the offering. If a seller standardises the offering, a customer is more likely to feel that the package is easier to compare with the offerings presented by other sellers, thereby increasing the customer's sense of being involved in an objective and standardised purchasing procedure.

4.3 Business fraternisation

4.3.1 Overview of business fraternisation

The second category for consideration (see Figure 4.1) is that of *business fraternisation*. This category describes the way in which two parties develop a *close relationship* based on *mutual understanding and respect*,

which enables them to work towards a *common goal*. The category of business fraternisation thus has a dimension of *values* (that is, mutual understanding and respect) and a dimension of *direction* (the common goal of conducting business).

Business fraternisation is a working relationship in which solutions are allowed to emerge gradually. It can be found both internally (when different units are working together within a large organisation to deliver what has been decided upon) and externally (when the buying and the selling firm form a collaborative relationship to achieve a certain objective).

In the telecommunications company, collaborative relationships of this sort were recognised as a prerequisite for the development and delivery of effective service solutions. As the key account manager ('Respondent I:14') observed:

It is like an organic growth … we look forward together … this is how it looks today … this is where we are going … shall we take on more personnel or shall we not take on personnel? ... and so on.

Similarly, a business manager at the IT company ('Respondent I:20') described the importance of working with the customer:

If we closed the door behind us and built this, and then delivered it six months later, we would certainly end up with something that matches the specification perfectly … But we wouldn't do well in a business sense.

The point being made by this respondent was that the key is to identify and implement solutions to the customer's needs as the project is proceeding. By doing this, the parties can arrive at a shared solution that makes a constructive contribution to the buying firm's overall organisation and everyday activities.

The category of business fraternisation can be divided into five subcategories: (i) *distance reduction*; (ii) *trust*; (iii) *fraternisation competence*; (iv) *learning process*; and (v) *probationary fraternisation*. These subcategories, which are illustrated in Figure 4.3, are discussed in more detail below.
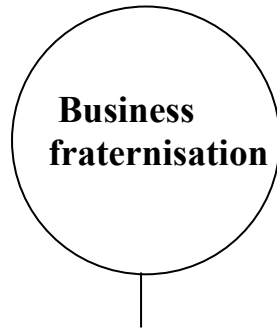
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                    ┌─────────────┐
                    │  Business   │
                    │fraternisation│
                    └──────┬──────┘
                           │

        -Distance reduction

        -Trust

        -Fraternization competence

        -Learning process

        -Probationary fraternization
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Figure 4.3 Business fraternisation

4.3.2 Distance reduction

As shown in Figure 4.3, the first subcategory in the category of 'business fraternisation' is *distance reduction.* To establish a close collaborative relationship, whether internal or external, a certain *closeness* is desirable. For example, in the telecommunications company, a project manager ('Respondent I:5') contended that the effective sale of service-based solutions requires the project unit (which is responsible for building the infrastructure) to be close to both headquarters (which is responsible for standardising service offerings) and the market unit (which is responsible for selling the offerings to the customers). In the absence of such closeness, the project team might be forced to solve customer problems as they arise, with no mechanism for ensuring appropriate remuneration for their *ad hoc* problem-solving services. The project manager at the

telecommunications company ('Respondent I:5) commented upon the problems that can be produced by distance from headquarters and the need for personal relationship to bridge such organisational distance:

It is difficult for X who is working at the market unit [at headquarters] to get paid afterwards for things we already have done when working in the project … Quite often, we have already started the activity when we recognise that this is probably a service … And then X has to begin to sell and negotiate … but she does not have any scope to negotiate because we have already started.

A key account manager at the telecommunications company ('Respondent I:9') noted that internal closeness and cooperation were essential if the firm was to present itself as one organisation with 'one face', rather than each department pursuing its own agenda:

The crucial thing is to focus on [a united presentation], and not on our separate agendas.

To facilitate such internal closeness, the IT company had developed a new organisational design in which several separate organisational units had been replaced with a few highly coordinated divisions. The managing director ('Respondent I:21') explained the new arrangement in the following terms:

We have gone from twenty separate companies in the late 1990s to fifteen in 2004, ten in 2005, and only two in 2006.

In the industrial services company, the sales manager ('Respondent I:13') argued that his travels around the world making presentations to prospective customers would be in vain if the personnel in Sweden are unaware what these presentations really mean or if the personnel fail to act according to the strategies formulated by the managers. As this respondent observed:

It is very important that the people who are implementing [our offerings] have the same information [as those who are devising them]

In terms of 'external distance', because complex solutions are often designed during the interaction process between buyer and seller, it is essential that the distance between the two is minimised. A project manager in the telecommunications company ('Respondent I:5') characterised this issue by drawing an analogy with a 'high-touch' service industry (such as clothing retail) in which it is important to be close to the customer as the need is emerging:

> **You won't find a guy sitting on a chair in a room waiting for the customer to come and ask for a service … [rather], this guy is moving in circles around the customer … he circles around and asks: 'Can I do anything for you?'**

A similar point of view was expressed by sales manager of the industrial services company ('Respondent I:13'):

> **It is very important to be almost sitting in the customer's lap.**

Several respondents noted that a combination of minimal 'external distance' and minimal 'internal distance' facilitates the sales process. In emphasising this matter, the managing director of the IT company ('Respondent I:21') explained that it is important for a salesperson to be able to provide customers with critical information from headquarters during the sales process as various issues emerge. By doing so, the sales representative promotes a feeling of closeness between the customer and the management in the selling company. This respondent illustrated the importance of this issue by describing the opposite scenario—in which a sales representative lacks 'closeness' with headquarters and is therefore unable to answer a customer's questions promptly:

> **I am engaged in a dialogue, [but] I can't even answer the questions … I do not have the expertise with me … I can't go home and find out … I can't make a decision … [but] I must make a commitment.**

In such a scenario, according to this respondent, the lack of 'internal closeness' would be quite apparent to the customer and this would significantly hamper the potential for a close relationship with the customer. In other words, *external* closeness is contingent upon pre-existing *internal* closeness.

A divisional manager at the industrial services company ('Respondent I:12) also noted how coordination between 'internal closeness' and 'external closeness' can give rise to new business opportunities. On one occasion, his department had been contracted to undertake some mechanical work at an industrial steel manufacturer. Unexpectedly, another firm, which had been contracted to undertake electrical automation work in the same project, indicated that it did not wish to continue. This eventuality opened up a new business opportunity for the industrial services company to take over the electrical automation work as well as the mechanical work. The respondent explained it this way:

> **So [the other firm] jumped off … and we offered to take on the electro and automation issues … I mean, even though I belong to the mechanics department, if I recognise an opportunity for some other department to get in … I do my best to ensure that our other department can get in.**

4.3.3 Trust

As shown in Figure 4.3, the second subcategory of the category of 'business fraternisation' is *trust*. In this discussion, a distinction is made between: (i) *operational trust*; and (ii) *behavioural trust*.

The first of these, *operational trust*, refers to the customer having confidence in the selling firm's ability both to deliver the existing solutions that it promises *and* to manage needs that might arise in future. The managing director of the IT company ('Respondent I:21') explained it this way:

> **It often comes down to creating trust regarding not only our ability to deliver a solution that has been specified by the customer, but also to make it more effective, cheaper, and better [in future].**

The engendering of operational trust in the process of business fraternisation often depends on experience. This was expressed metaphorically by the global sales manager of the telecommunications company ('Respondent I:18'), who drew the analogy of the importance of experience in another situation requiring a complex solution—that of a patient with a heart problem needing surgery:

If you have a choice from three alternatives—a surgeon who has read about the procedure, one who has actually performed it (but only on a pig), and one who has performed it successfully on a human being—which one do you choose? Of course, you choose the surgeon who has the experience of having performed the procedure on a person.

The second form of trust, *behavioural trust*, relates to the behaviour of the selling firm's representatives. Because service solutions are often intangible and difficult to grasp, it is important that the selling representatives always act in a way that engenders confidence. A business manager at the IT company ('Respondent I:20') emphasised the importance of this type of trust during the selling process:

Through the way I behave … the way that I act … during the whole process … I keep our promises.

The subcategory of 'trust' (within the category of 'business fraternisation') is related to the category of 'business standardisation' in several ways. First, trust can be related to the subcategory of 'standardisation of selling activities'. This was described by a senior business manager at the IT company ('Respondent I:19'), who noted that a manager with a good reputation within his own organisation can use this trust to bypass the qualification process and initiate a certain business deal.

Secondly, the subcategory of trust is related to the subcategory of 'standardisation of the offering'. For example, when selling standardised solutions, if there is a relative lack of operational trust, the buying firm's representative will want to know absolutely everything about the operational details.

4.3.4 Fraternisation competence

As shown in Figure 4.3, the third subcategory of the category of 'business fraternisation' is 'fraternisation competence'. This refers to the importance (for the selling company) of having knowledge about the challenges faced by the buying firm. One way of managing this issue is to design the organisational structure accordingly—as in the case of the IT company, which assigned separate divisions to specific segments of the market. In addition, it is important for individual managers in the selling

firm to understand the unique situation of the buying firm with which they are dealing.

The importance of 'fraternisation competence' was emphasised by the project manager at the IT company ('Respondent I:17'), who described the delighted reaction of the representatives of a buying firm when he presented some ideas in a meeting:

…they almost started to applaud, [and said] 'This is what we want also'.

In contrast to the above scenario, the same project manager related another story about an occasion when he had incomplete knowledge of the everyday experiences of the buyer. He was to design a budget system and he presumed that the budget manager would wish to have control over all phases of the budget process. However, the budget manager was not interested in control; rather, he prioritised flexibility over structure. Respondent I:17 described the situation in the following terms:

… and then I presented my solution to this budget manager … but he did not think having a well-structured process was the important thing … [Apparently] he had so many demands for flexibility around him.

Because the project manager was initially unaware of the budget manager's priorities, the budget system was presented in an inappropriate fashion, and the deal was lost.

The need for such 'fraternisation competence' is not restricted to 'front-line' operational staff. Indeed, when a close and collaborative relationship with a customer is being established, even accounts staff at headquarters can become involved. Such a situation was described by the key account manager in the telecommunications company ('Respondent I:14'), who noted that, when a buying firm and a selling firm became close, accounts staff could find themselves in a position that had earlier been occupied by other departments. This situation called for new skills in the form of 'fraternisation competence':

They [technology staff and marketing staff] were used to handling this part of the value chain by themselves earlier … and communicating internally … regarding the best way to do

this in order to make most money… But suddenly I, as a supplier, find myself inside this chain of communication … I suddenly find myself much closer to the customer.

4.3.5 Learning process

As shown in Figure 4.3, the fourth subcategory of the category of 'business fraternisation' is the 'learning process'. A close collaborative relationship is an opportunity for both parties to learn from each other. For the buying firm, the relationship presents an opportunity to learn how to purchase technologically advanced solutions effectively in the future. For the selling firm, the relationship provides an opportunity for:

- gaining knowledge of how the purchase process works in the buying firm;

- learning from past deals to develop future selling operations; and

- learning about new applications and how new services might be developed.

With regard to the *buying firm's* desire to learn, the selling firm can benefit if it realises that the buying firm requires assistance to gain a full understanding of the situation that it is facing. The global sales manager of the telecommunications company ('Respondent I:18') described what can happen in such cases using the analogy of a private person hiring a contractor to perform some home maintenance:

[The homeowner] is curious and participating … watching carefully … so that he can learn how to do this himself the next time … And he is likely to be more generous with his money if the contractor is helpful and if the householder has learned a lot … and has been allowed to make some choices and so on.

With regard to the learning process in the *selling firm*, three aspects were noted above. The first was learning about how problems are handled in the buying organisation. The senior business manager at the IT company ('Respondent I:19') described this knowledge in the following way:

[We need to know] how they work the internal process in the buying firm from the stage when someone first realises: 'Wait a minute, this thing must be handled properly'. [The question is] how does this happen? How do they work from there?

With regard to the selling firm learning from past deals and using that knowledge in the future, the senior business manager of the IT company ('Respondent I:19) noted that time and resources are required to conduct such a learning process in a structured manner; however, managed correctly, it can effectively disseminate valuable knowledge throughout the organisation.

In the smaller organisational setting of the industrial services company, the selling technique tends to be situation-specific and therefore more difficult to explain. The sales manager of the IT company ('Respondent I:13') commented metaphorically upon this difficulty:

There is no [universal] key that will make the customer happy next time … we have to ask the locksmith to grind a new key each time

However, despite the uniqueness of the detail of these selling processes there was a need to share general knowledge with less-experienced personnel. The sales manager ('Respondent I:13') therefore initiated a learning process to ensure that this type of knowledge was passed on by working closely with less-experienced personnel. He argued that this is especially important in a technology-oriented organisation that can have a tendency to overlook the subtle dimensions of human interaction in a selling situation.

Regarding the learning process required for applications and service development, a project manager at the telecommunications company ('Respondent I:5') observed that it is crucial to listen with a 'service ear' to detect new service opportunities and to learn about applications. He made the following comments with respect to this matter:

As the solutions becomes more complex with more parameters … it is crucial to listen and really understand what the customer has bought … not only what we have sold them, but what other equipment they have.

This information then has to be utilised in a learning process whereby different divisions learn from each other. A project manager at the telecommunications company ('Respondent I:8') recalled a project for which the necessary equipment and services were not fully developed:

> **We were not ready ... we were at the frontier, but we knew other units were there as well … So we spoke to Italians, Englishmen, and Japanese to find out how we might do it.**

Through such collaborative efforts, they eventually managed to handle the situation.

4.3.6 Probationary fraternisation

As shown in Figure 4.3, the fifth subcategory of the category of 'business fraternisation' is 'probationary fraternisation'. This subcategory refers to continuous monitoring of the prerequisites for a close relationship between the parties. In particular, 'probationary fraternisation' involves an evaluation of whether the parties have mutual understanding and respect for one another. If these prerequisites are absent, there is a tendency for the parties to move towards more standardised procedures and a legalistic interpretation of contractual obligations. This tendency was noted by the sales manager of the industrial services company ('Respondent I:13'):

> **If we don't speak the 'same language' … the contractual agreement gains in importance.**

Moreover, if lawyers are required to solve disputes, the outcomes are often unsatisfactory for all concerned. The key account manager of the IT company ('Respondent I:16') put it this way:

> **Everyone leaves the room with a bad taste in their mouths.**

4.4 Personalisation

4.4.1 Overview of personalisation

The third category for consideration (see Figure 4.1) is that of *personalisation.* The category of personalisation refers to activities related to the *attitudes and dispositions of people.* This category consists of five subcategories: (i) *informal business*; (ii) *pedagogic challenge*; (iii) *service awareness*; (iv) *changing expectations*; and (v) *personal selling.* These subcategories, which are illustrated in Figure 4.4, are discussed in more detail below.
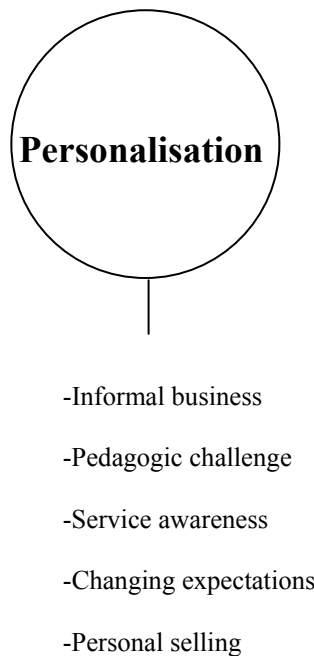

-Informal business

-Pedagogic challenge

-Service awareness

-Changing expectations

-Personal selling

Figure 4.4 Category of personalization

4.4.2 Informal business

As shown in Figure 4.4, the first subcategory of the category of 'personalisation' is *informal business*. In some cases, personal relationships can play a pivotal role in selling solutions—both before and during the formal purchase process. This phenomenon of 'informal business' can occur at either the management level or the operative level of the buying firm. A sales manager at the IT company ('Respondent I:7') described these relationships, which often result from previous projects, as being crucial to the chances of winning certain deals:

> **Now we are talking about issues that are really crucial in the whole situation and one of the most important factors in ensuring that we come out of the struggle victorious ... that is, to have the right relationships with the people making the decisions.**

According to this respondent, the decisions involved are not always rational, and he emphasised that the company that has the best solution does not necessarily win the contract if it lacks the personal relationships that are crucial to informal business.

The sales director in the telecommunications company ('Respondent I:4') observed that it is sometimes necessary to show a commitment regarding certain issues by using personal contacts between senior managers without specifying the commitment contractually. She referred to this as 'high management commitment', by which he essentially meant an informal 'gentlemen's agreement' that is based on personal relationship. She gave the example of a commitment from the managing director of the telecommunications company to ensure that appropriate attention was paid to certain issues that could not be included in a formal contract:

> **This was simply a commitment from our managing director ... to argue internally for these specific functions ... This was a promise ... what you can call a 'gentlemen's agreement'.**

Such informal business can also be conducted at the operative level. The managing director of the industrial services company ('Respondent I:11') emphasised that the actual deal often takes place

through the informal business relationships of the operatives who are personally affected by the problem and its proposed solution:

> **We have established a relationship and we have presented our resources and what we can do, and so on … Then the actual purchase itself might not happen for another three months (as a formal, administrative procedure) … but the actual *selling* has already happened.**

In other cases, personal relationships do not actually determine the decisions, but they can still *influence* formal decision-making processes. For example, the marketing director of the IT company ('Respondent (I:15') noted that formal purchasing processes and communication channels are strictly regulated in dealings with public-sector entities. Nevertheless, on one occasion, the IT company had managed to use informal business contacts when tendering for a contract with a public-sector organisation in the health sector. The marketing manager explained that, due to a preceding deal, the company had IT consultants already in place in the public-sector organisation. These consultants now began to play an important role in the new tender. As the marketing director explained:

> **In this case, because we were already a supplier to X, we had 40 or 50 IT people already working at X. They sat in X's buildings … so we still had some opportunities … they created a certain atmosphere in the coffee room … and this was successfully disseminated throughout X.**

In this particular case, informal business contacts influenced the formal decision-making of the public-sector organisation, and the selling firm successfully won the tender.

4.4.3 Pedagogic challenge

As shown in Figure 4.4, the second subcategory of the category of 'personalisation' is *pedagogic challenge*. This subcategory describes the internal and external challenges faced by a selling company that has to change people's perspectives and attitudes to its offered solutions. For example, in the case of the telecommunications company, acceptance of the hosting solution requires a new perspective to be adopted by people, internally and externally, as both sellers and buyers become accustomed

to the notion of purchasing a complete function (rather than building the infrastructure themselves).

The sales manager of the telecommunications firm ('Respondent I:2') explained that the changing of perspectives internally on these matters faces the challenge of overcoming a long ingrained tradition in technology services:

> **We have essentially been just 'box sellers' … I put the box here … now I assemble it … now it works … call me if there are any problems.**

Moreover, he emphasised the importance of key account managers also being able to speak about 'values' and not just 'boxes':

> **Our key account managers have to understand and be able to explain the specific features of the offering, and be able to participate in discussions regarding these issues with top-level management in the buying firm.**

In addition to the challenge of explaining the advantages of new offerings to sales personnel and key internal managers, there is also the challenge of changing the perspective of the buying firm. As the sales manager commented:

> **Explaining the extra value in hosting is one of the biggest selling problems; however, if you cross this boundary it is then pretty easy to sell. People then respond by saying: 'Wow! This is perfect! I don't have to care … everything is included!'**

4.4.4 Service awareness

As shown in Figure 4.4, the third subcategory of the category of 'personalisation' is *service awareness.* This subcategory is closely related to the previous subcategory ('pedagogic challenge'). Because the solutions being offered are often rather intangible, it is important that the selling firm influences the way in which customers perceive the value that is inherent in the service offering. This requires the inculcation of 'service awareness'—that is, an awareness of the value that comes from buying a function rather than a product.

In dealing with larger projects, the development of such service awareness often requires the communication of value at several different levels, with each representative of the selling firm being responsible for communicating value to his or her counterpart at the same level in the buying firm. A project manager at the telecommunications company ('Respondent I:8') put it this way:

It is not certain that the purchasing manager will know all about the matters solved by the technician … We have to make certain that this awareness is spread throughout the organisation.

Moreover, the project manager contended that communication of value throughout the buying organisation lays the foundation for a positive subsequent evaluation of the solution that has been delivered.

The subcategory of service awareness also has an internal dimension. As a project manager of the telecommunications company ('Respondent I:5') observed, it can be difficult for the sales personnel in a large organisation to know how every issue raised by a customer relates to the service offerings designed by management and the extent to which these solutions actually match the needs of the customer. Conversely, according to the project manager, management has to be aware of the needs of the customer as they emerge in the interaction process between operational personnel and the customer, so they can be standardised into future services. Finally, as noted above, the customer also has to be aware of the value being delivered by the selling firm.

The notion of 'service awareness' also includes the need for customers to understand the real nature of a particular problem they might be facing and what the most appropriate solution might be. In some cases these matters are rather complex, and if the situation is wrongly defined the selling representatives will be unable to respond appropriately to the request of the buying representatives. The global sales manager of the telecommunications company ('Respondent I:18') described such a situation, in which a customer had made a request for a particular replacement component:

But is that component what they really need? Why do they want that particular component? What if their system is still down after they get this component?

The global sales manager emphasised the importance of continuing the discussion with the customer to delineate the underlying problem and thus enhance the likelihood of finding the appropriate solution. In many cases, awareness of the customer's operational processes has more bearing on the situation than the component that had been requested in the first place.

4.4.5 Changing expectations

As shown in Figure 4.4, the fourth subcategory of the category of 'personalisation' is *changing expectations*. This subcategory becomes important if the selling firm's representatives recognise that the buyers have unrealistic expectations of what can be delivered. Indeed, in some cases, such unrealistic expectations can even extend to the customer expecting to see an immediate overall improvement in their business activities in general, and not just a simple system replacement.

The key account manager at the IT company ('Respondent I:16') observed that it is always a challenge to present an attractive offering that is, in itself, tangible enough for the customer to recognise its potential advantages, while simultaneously drawing attention to the fact that other changes are also required in the customer's organisation if things are to function properly. Moreover, it is especially difficult to moderate the customer's expectations if the selling firm is competing with other firms at the time. Indeed, it can be a very delicate matter to find the right balance between realistic and unrealistic expectations if the customer is simply looking for a quick solution. As the key account manager put it:

> **The customer often just wants to get rid of a complex problem like getting rid of a faulty saltshaker … He just wants a new one … cheap.**

If customers have this sort of 'quick-fix' attitude, it can be difficult to change their perceptions while simultaneously trying to sell a complex solution. And it can be especially difficult if a consequence of changing their perceptions is that that they must realise that they might have a new problem that they had not previously recognised.

4.4.6 Personal selling

As shown in Figure 4.4, the fifth subcategory of the category of 'personalisation' is *personal selling.* This subcategory implies a certain *way of thinking* about the shared objectives of the personal seller–buyer relationship and the communication of this way of thinking to the customer, thus enhancing the likelihood of winning a certain business deal. In short, when selling complex solutions it is important to take into account the interpersonal *chemistry* that exists between the people who are involved in the interaction.

An important aspect of personal selling is for sales representatives to have a 'keen ear' when interacting with customers. Sales representatives who have such a 'keen ear' are more likely to perceive what is required to meet the expectations of customers. By listening attentively, sales representatives with a 'keen ear' provide customers with every opportunity to explain their perspectives in depth. The senior business manager of the IT company ('Respondent I:19') explained the importance of attentive listening in the following terms:

> **As I see it, one of the most common mistakes … in service selling is that sales representatives start to sell too early in the process.**

This respondent noted that the main reason for a tendency to rush the selling process is that sales representatives often, even at an early stage in the selling process, have a reasonably clear idea of the likely solution to the customer's problems. In addition, because the sales representative is always aware that the selling company is competing with other firms, patience and attentive listening do not necessarily appear to be part of a fruitful selling strategy. As 'Respondent I:19' observed:

> **We try to position ourselves with respect to competing companies … and we know that these companies might also initiate a dialogue with the customer … [and this can happen] before the customer has actually stated the nature of the actual problem.**

The challenge is, therefore, to ascertain where the customer is in the problem-solving process and how selling efforts can be matched to this in the most effective way.

In addition, according to the sales manager at the telecommunications company ('Respondent I:2'), effective personal selling means not giving up, even though things are not going well in the selling process. There are always factors present that are unknown or difficult to take into consideration, even if the deal seems to have been lost from the selling firm's perspective. As the sales manager explained:

In most cases like this people tend to say: 'We lost this deal … lets move on to the next one and try to sell to someone else'. This is the most common way to react as a salesman. But we should not give up … never give up!

According to the sales manager, sales representatives should always be aware that competing firms often suggest less-developed solutions or even exclude certain vital components from their proposals when tendering for contracts. Their strategy is offer a solution at the lowest price and, after the contract has been won, then develop a complete solution. By persisting in the face of such tactics, a conscientious sales representative can give the customer an important personal message regarding whether the selling firm is willing to 'walk that extra mile' in order to reach a mutual goal with the customer. As the managing director of the IT company ('Respondent I:21') noted, it is important for a sales representative to demonstrate undaunted ambition in the selling process:

The one who wants the most is the one who wins.

The subcategory of personal selling is related to other categories—such as the category of 'service standardisation' discussed above. Service standardisation can contribute to successful personal selling because it is easier for sales representatives if they have pre-designed services to offer to their customers. As the project manager of the IT company ('Respondent I:17') observed:

It is important when dealing with new customers to have well-structured service offerings available … then we can describe them and talk about them more effectively.

The subcategory of personal selling is also related to the category of 'business fraternisation'. In particular, the subcategory of 'trust' (within 'business fraternisation') plays an important role in forming the close collaborative relationships that are essential for personal selling.

Successful personal selling requires the personal backgrounds of people to be taken into careful consideration. Depending on the type of solution being offered, a sales representative will prefer to deal with a counterpart of a certain background. For example, when the telecommunications company was attempting to sell a hosting solution, the sales representatives preferred to discuss the proposed solution with market-oriented people. This enabled the sales representatives to focus on the financial and market-related advantages of the outsourcing proposal, rather than the technological issues involved. The business director of the telecommunications company ('Respondent I:1) made the following observation in this regard:

> **There is always an interesting power game that exists [within the buying company] in all purchasing processes involving outsourcing … [One senior executive] saw us in very negative terms … 'Why should these outsiders take control of something as essential as my central messaging system? … This proposal is so outlandish that no discussion is needed!' But [another senior executive], who was much less technologically oriented and had a stronger commercial focus, was much more amenable to the idea.**

Consequently, the sales representatives made a point of dealing with the senior executive who was more commercially oriented and therefore more likely to be interested in the business benefits of outsourcing the existing system.

The market unit manager of the telecommunications company ('Respondent I:6') described the converse occurring in a more traditional infrastructure deal. In this case, the roles were reversed (although the principle of taking account of the background of the people involved remained valid). In this instance, the marketing manager preferred to speak to the buyer's technical people because the business-oriented representatives of the purchasing company did not understand the technology:

The purchasing people, by their nature, are less useful to speak to than the technicians … because the purchasing people are really not all that interested in technology. [As a result], the service … that they bought was not exactly what they would like to have … but it was cheaper.

The principle of taking into account the background of the people involved was also demonstrated in the industrial services company, although the preferences were, again, somewhat different. The divisional manager ('Respondent I:12') stated that he preferred to speak to operationally oriented people, rather than those who possess only theoretical knowledge of the issues involved:

The most difficult people are those who have only theoretical education … They have studied the theory of issues, and they know a lot, but their knowledge is not always working knowledge.

Another issue to consider in the subcategory of 'personal selling' is the extent to which people have similar attitudes—such that the 'chemistry' between them works well. A project manager of the telecommunications company ('Respondent I:8') commented on how this can be crucial in a project:

I notice immediately in a project … if the relationship is not working out between the two people involved, I have to do something about it … [In contrast] a good relationship is one in which the personal chemistry is functioning … [and this] is a prerequisite for solving other things. [For example] we might have a lot of problems and delays and the client might not receive what they have paid for and are expecting as we promised … [If this occurs] we have to be able to handle it … and then the personal chemistry must be there.

4.5 Probationary business rationalisation

4.5.1 Overview of probationary business rationalisation

The fourth category shown in Figure 4.1 is that of *probationary business rationalisation.* This category includes rational consideration of (i) *cost reduction* (both for the buying firm and the selling firm); and (ii) *risk reduction* (both financial and operational). This can be illustrated as shown in Figure 4.5.

Probationary business rationalisation

-Cost reduction
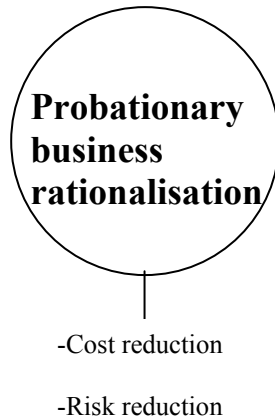
-Risk reduction

Figure 4.5 Category of probationary business rationalization

4.5.2 Cost reduction

As shown in Figure 4.5, the first subcategory in the category of 'probationary business rationalisation' is *cost reduction.* With regard to costs for the buying firm, the global sales manager of the telecommunications company ('Respondent I:18') contended that the ultimate driving factor behind every customer's request for a solution is always economic; as a consequence, the ultimate objective of the selling firm has to be a capacity to prove that its solution can improve the customer's 'bottom line' result. Commenting specifically on outsourcing deals, this respondent observed:

These [outsourcing] deals are always made by the senior management team … and their role is to improve the [bottom line] result and increase shareholder value.

The subcategory of cost reduction is also of great importance to the selling firm when service-based solutions are being developed. To achieve this, the essential task is to identify service opportunities and then to transform them into cost-effective processes. As a project manager of the telecommunications company ('Respondent I:8') observed:

It is important to work with processes … [to ensure] lower costs related to delivery … [and] an even more compatible price level next time.

4.5.3 Risk reduction

As shown in Figure 4.5, the second subcategory in the category of 'probationary business rationalisation' is *risk reduction.* In this regard, the sales manager of the telecommunications company ('Respondent I:2') noted that risk reduction is a major driving force when buyers are purchasing functions rather than traditional infrastructure equipment. Such risk reduction applies to both financial risk and operational risk.

Regarding *financial risk*, the purchase of a function-based solution, such as a hosting solution, relieves the buyer of the risk of investing in equipment and technical personnel. The sales manager of the telecommunications company ('Respondent I:2') put it this way:

They have not had to invest in the equipment and they have not had to invest in the training of personnel … [rather] they have invested in marketing … and that is all.

Regarding *operational risk*, the global sales manager of the telecommunications company ('Respondent I:18') explained that, in a hosting solution, the selling firm can provide all the necessary resources required to meet whatever operational challenges might be faced by the operator in the future. However, the buying firm' confidence in such operational risk reduction in a hosting solution depends upon there being competent and experienced personnel to perform the technical tasks. The divisional manager of the industrial services firm ('Respondent I:12') noted that having the 'right people' available is often an important issue

for the buying firm in the purchase process. He described this in the following way:

> **It does not matter to the buyer who they are paying … just as long as they get the right person [when they need him].**

The category of 'probationary business rationalisation' is related to the other categories proposed in this study. For example, in the buying firm, the minimisation of costs and risk (within this category of 'probationary business rationalisation') is clearly related to the category of a 'standardised purchasing processes' (which tend to focus on prices and costs). Similarly, in the selling firm, the category of 'probationary business rationalisation' is clearly related to the subcategory of 'formal qualification forums' (which were discussed under the category of 'standardised selling processes'). Moreover, the category of 'probationary business rationalisation' is related to the category of 'business fraternisation' when cost and risk reduction is being discussed within a relationship characterised by mutual understanding, respect, and a shared learning process.

The category of 'probationary business rationalisation' is also related to the category of 'personalisation'. As previously noted, the people involved in minimising operational risk in certain solutions are sometimes considered so crucial to the buying firm that the selling firm from which it buys is of minor interest, just as long as the buyer gets the 'right' people. This was especially evident in the industrial services company, as the divisional manager ('Respondent I:12') observed:

> **We have one guy working in the technical department … who works [elsewhere] every summer … It doesn't matter which company he works for, it is *him* they are looking for! … So our company really has nothing to do with this … if he is working [elsewhere], they will find him there, and off he goes!**

The category of 'probationary business rationalisation' is also associated with the relationship between the category of 'business fraternisation' and that of 'business standardisation'. The key account manager of the IT company ('Respondent I:16') described a case that illustrates this association. In this case, the sales representatives formed a relationship of mutual understanding and respect with the operational personnel in the buying firm, which led to the development of a vision of

the way in which a particular solution could be integrated into future business strategies. However, when the management team of the buying firm was confronted with the plans, cost issues dominated the discussion and a more formal purchasing process was initiated. In the words of the key account manager ('Respondent I:16'):

It worked quite well until they presented it to the management … But the management insisted on seeing what the specific costs would be … and they stopped [the plan] right there and presented a traditional request for a purchase document.

This incident manifests the interrelationships that can exist among several of the previously discussed categories. It is apparent that a process within the category of 'business fraternisation' was disrupted by a process of 'risk reduction' (within the category of 'probationary business rationalisation'), and that this provoked a sudden transition to a process within the category of 'business standardisation'. This implies that these categories cannot be posited as separate entities that do not affect each other; rather, as indicated in Figure 4.1, the four categories already discussed ('business standardisation', 'business fraternisation', 'personalisation', and 'probationary business rationalisation') are clearly interrelated through the core category of 'business manoeuvring'. A brief consideration of how the various categories relate to this core category forms the final section of this chapter.

4.6 Business manoeuvring

As noted above, the four categories considered in this chapter cannot be posited as separate entities; rather, they are interrelated in various ways.

The first category of 'business standardisation' is obviously related to the other three categories. For example, no selling process can be entirely standardised. Interpersonal dialogue ('personalisation') is nearly always required during the selling process before formal documents are adopted in a formalised purchasing process. Moreover, the standardisation of both the selling process and the buying process can be understood as an effort to make those processes more objectively rational ('probationary business rationalisation'), rather than being dependent on individual perceptions. Conversely, although the standardisation of the

offering might facilitate certain aspects of selling activities, a constructive interpersonal dialogue and collaboration ('business fraternisation') is also required if solutions are to be adapted appropriately. And when those solutions are delivered, they have to be seen in terms of cost-effective internal processes ('probationary business rationalisation').

The second category of 'business fraternisation' is also related to the other categories. For example, the establishment of a close collaborative relationship based on mutual understanding and respect (which is the essence of 'business fraternisation') is ultimately derived from economic considerations ('probationary business rationalisation'). Moreover, it is obviously established through personal relationships ('personalisation').

The third category of 'personalisation' relates to personal relationships and individual mindsets. However, these business processes are not concerned with individuals and their relationships. The individuals are clearly representatives of different organisations with various agendas, and these agendas invariably focus on business relationships ('business fraternisation').

Finally, the fourth category of 'probationary business rationalisation', which ostensibly focuses on costs and risks, does not consist only of elements from a spreadsheet. Any realistic assessment of costs and risks requires an understanding ('business fraternisation') that extends beyond factual documents. When things do not function properly, individuals ('personalisation') gain in importance as steps are taken to resolve the issues of cost and risk on a personal level, rather than resorting to juridical procedures ('business standardisation').

These few examples demonstrate that each of these categories does not, in isolation, account for the full picture of real action in the field; rather, these categories represent *mutually dependent activities*, all of which are important to varying degrees in different circumstances. The core category of *business manoeuvring* describes the complex interplay of these activities as the selling process is managed by the parties in a somewhat different way each time.

The core category of 'business manoeuvring' thus describes, in practical terms, *what actually happens in the field* as various players participate in the selling process under changing circumstances. For

example, the core category describes how: (i) the selling party might wish to get close to the customer, but not too close; or (ii) contracts might be used, but there might be an understanding that the contract merely describes the bare minimum of a wider understanding between the parties; or (iii) services might be standardised, but not to the extent that they fail to take into account the specific needs of the customer.

Thus, using the vocabulary of the first chapter of this thesis, when the purpose of this study was introduced, it is contended that the proposed core category of 'business manoeuvring' accounts for what was described as *the action in the substantive field*. In other words, again drawing on the terminology of the first chapter, this core category describes how the actors *resolve their main concern*—which is to make business deals through the *social process* of 'business manoeuvring'.

Nevertheless, despite the apparent suitability of the proposed core category as a means of describing the resolution of the actors main concern through a social process, it remains true that it is problematic to use these various categories to provide an adequate description of the *dynamism* that is encountered in the substantive field. Any model of categories and subcategories (such as that presented in Figure 4.1) tends to confine an inherently dynamic process to an artificially static structure that does not reflect reality. This problem is discussed in more detail in chapter 6.

Table 4.1

Category: Business standardisation

Subcategories:	*Properties:*	*Examples of indicators:*
Purchase standardisation	-Standardisation of purchasing process	"We used to say [in marketing circles] that … all purchasing processes aim to formulate rational arguments for irrational decisions that have already been made!"
	-Standardising documents	" … one of the most important success factors is to be in 'column A' in the evaluation … you always want to be 'A' … the one that the rest are compared to."
Selling standardisation	-Creating central units for price and negotiations	"I decided that I want a central price negotiation unit … We need centralized competence … because there is too much local 'smartness' " "
	-Establishing qualification forums	"Included in this forum are sales managers from different divisions. [The forum] receives the relevant information from the responsible manager … often filled with questions … [before making a decision]."

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Standardisation of the offering

-Standardising individuals managing knowledge

"This process is very dependent on individual persons … but by working in a structured manner … and by including more and more people in the discussion … it becomes easier for new people to learn … and finally become as good as [experienced staff members]"

-The process of standardising offerings

"It is fascinating … if we standardize something new, it is no longer all that strange … We brand it and market it as a [standardized] product … then everyone wants to buy it."

Category: Business fraternisation

Subcategories:

Properties:

Examples of indicators:

Distance reduction

-Internal closeness: process of coordination

"It is difficult for X who is working at the market unit [at headquarters] to get paid afterwards for things we already have done when working in the project …"

	-External closeness: process of closeness in the interaction with the buyer	"It is very important to be almost sitting in the customer's lap."
	-Coordination of internal and external closeness	"I mean, even though I belong to the mechanics department, if I recognize an opportunity for some other department to get in … I do my best to ensure that our other department can get in."
Trust	-Operational trust	"It often comes down to creating trust regarding not only our ability to deliver a solution that has been specified by the customer, but also to make it more effective, cheaper, and better [in future]."
	-Behavioural trust	"Through the way I behave … the way that I act … during the whole process … I keep our promises."
Fraternisation competence	-Knowledge of the challenges facing the buying firm	"…they almost started to applaud, [and said] 'This is what we want also'."

Learning process	-Learn how to purchase next time	"[The homeowner] is curious and participating … watching carefully … so that he can learn how to do this himself the next time …"
	-Learn about how purchasing process is working in the buying firm	"[We need to know] how they work the internal process in the buying firm from the stage when someone first realizes: 'Wait a minute, this thing must be handled properly'."
	-Learn from past deals	"Instead of just logging out…this deal went down the drain…and this contract we won…"
	-Learn about applications and service development	"As the solutions becomes more complex with more parameters … it is crucial to listen and really understand what the customer has bought"
Probationary fraternisation	-Continuous evaluation of prerequisites for collaborative relationships	"If we don't speak the 'same language' … the contractual agreement gains in importance."

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Category: Personalisation

Subcategories:	Properties:	Examples of indicators:
Informal business	-Making deals based on personal relationships at management level	"Now we are talking about issues that are really crucial in the whole situation and one of the most important factors in ensuring that we come out of the struggle victorious … that is, to have the right relationships with the people making the decisions."
	-Making deals based on personal relationships at operative level	"We have established a relationship and we have presented our resources and what we can do, and so on … Then the actual purchase itself might not happen for another three months (as a formal, administrative procedure)"
	-Influencing standardised purchasing processes	"In this case, because we were already a supplier to X, we had 40 or 50 IT people already working at X. They sat in X's buildings … so we still had some opportunities … they created a certain atmosphere in the coffee room … and this was successfully disseminated throughout X".
Pedagogic challenge	-Internal: communicating new solutions and presentations	"Our key account managers have to understand and be able to explain the specific features of the offering, and be able to participate in discussions regarding these issues with top-level management in the buying firm."

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	-External: changing the perspectives of the buying firm	"Explaining the extra value in hosting is one of the biggest selling problems; however, if you cross this boundary it is then pretty easy to sell. People then respond by saying: 'Wow! This is perfect! I don't have to care … everything is included!'"
Service awareness	-Internal: matching problems and standardised solutions	"And suddenly… during a project…you realize that…oops…this is a surprise…is it a service or is it not a service?…"
	-External: explaining the total value of the offering	"It is not certain that the purchasing manager will know all about the matters solved by the technician … We have to make certain that this awareness is spread throughout the organization."
Changing expectation	-Bridging the gap between customer expectations and the delivered solution	"The customer often just wants to get rid of a complex problem like getting rid of a faulty saltshaker … He just wants a new one … cheap."
Personal selling	-Developing a keen ear towards the customer	"As I see it, one of the most common mistakes … in service selling is that sales representatives start to sell too early in the process."

-Develop and attitude of not giving up

-Communicating the attitude of not giving up to the customer

-Taking a person's background into consideration

-Taking the chemistry between people into consideration

"In most cases like this people tend to say: 'We lost this deal … lets move on to the next one and try to sell to someone else'. This is the most common way to react as a salesman. But we should not give up … never give up!'"

"The one who wants the most is the one who wins.

"There is always an interesting power game that exists [within the buying company] in all purchasing processes involving outsourcing … [One senior executive] saw us in very negative terms … 'Why should these outsiders take control of something as essential as my central messaging system? … This proposal is so outlandish that no discussion is needed!'"

" …a good relationship is one in which the personal chemistry is functioning … [and this] is a prerequisite for solving other things.'"

Category: Probationary business rationalisation

Subcategories:	Properties:	Examples of indicators:
-Cost reduction	-Lowering costs in the buying firm	"These [outsourcing] deals are always made by the senior management team … and their role is to improve the [bottom line] result and increase shareholder value."
	-Lowering costs in the selling firm	"It is important to work with processes … [to ensure] lower costs related to delivery … [and] an even more compatible price level next time."
-Risk reduction	-Lowering financial risks in the buying firm	"They have not had to invest in the equipment and they have not had to invest in the training of personnel … [rather] they have invested in marketing … and that is all."
	-Lowering operational risks in the buying firm	"It does not matter to the buyer who they are paying … just as long as they get the right person [when they need it]"

Chapter 5

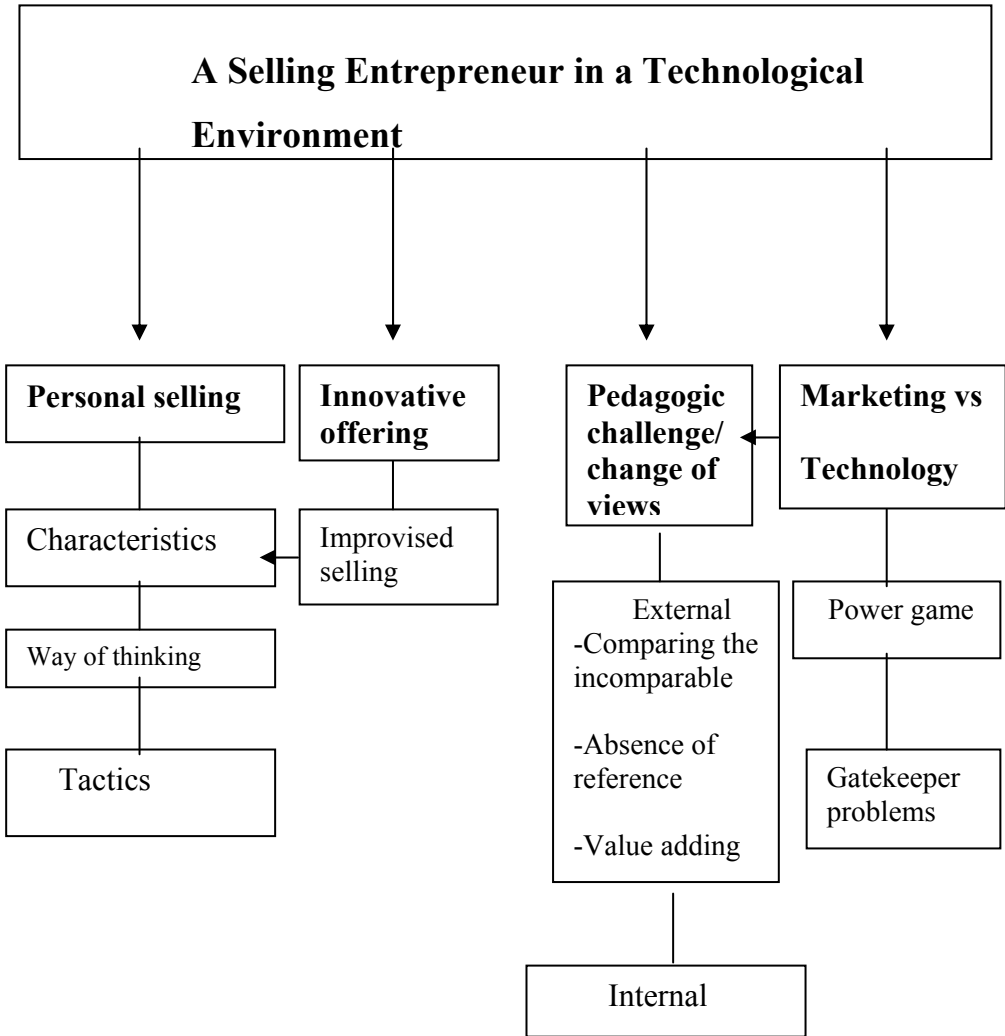# Emergence of the Substantive Theory

5.1 Introduction

The substantive theory came into being by a process of continuous adjustment, during which the categories were repeatedly modified in accordance with incoming data and reformulated ideas. This chapter describes some of the important stages of this process.

5.2 First draft

5.2.1 Model of first draft

During the initial phase of this research project, a draft analysis was undertaken on the basis of only two interviews. These data were collected from interviews that focused on the 'hosting issue' in the telecommunications company. As previously noted, this 'hosting issue' concerned a relatively new type of telecommunications solution whereby access to a complete network was offered to a buyer, although the network continued to be owned by the telecommunications company. An early version of the substantive theory, after two interviews had been conducted, is illustrated in Figure 5.1.

Figure 5.1: First draft of the substantive theory

As shown in Figure 5.1, the core category in the first draft of the substantive theory was a 'selling entrepreneur in a technological environment'. This terminology was chosen to describe certain innovative, market-oriented persons who were identified as operating in

this technologically driven industry. This core category was derived from, and connected to several other categories. Each of these is discussed below.

5.2.2 Personal selling

The selling aspects of this core category in the first draft were designated by the category of 'personal selling', which consisted of three subcategories: (i) 'characteristics'; (ii) 'way of thinking'; and (iii) 'tactics'. In the case of the 'hosting solution' being considered here, the first subcategory ('characteristics') of the category of 'personal selling' referred to the sales manager's determination not to give up during the business deal. Even though a competing firm had almost closed a deal with a particular customer, the sales manager of the telecommunications firm succeeded in his attempts to gain time. He then incrementally convinced the customer that he could provide the best solution to the customer's problems. As the manager ('Respondent I:2') explained:

They had kicked us out … but we did not give up … We returned and just went on and on.

The second subcategory ('way of thinking') of this category of 'personal selling' referred to the manager's description of the way in which the sales team was thinking during this interaction process. The sales team did not take the easy way out and declare the deal as a failure caused by competitive circumstances; rather, they returned to the customer and insisted on their ability to solve the buying firm's problem in an effective way—a tactic that eventually succeeded. The manager ('Respondent I:2') described the defeatist attitude that they might have adopted:

That is the common mode of thinking as a salesman: 'They got it … we lost it … let's proceed to the next deal'.

The third subcategory ('tactics') of this category of 'personal selling' referred to the clever presentation of the price, the advantageous use of contract templates (formulated beforehand), and the 'good cop/bad cop' tactics adopted during the actual negotiation process. The manager ('Respondent I:2') spoke about these tactics in the following terms:

I must have 'walk away' strategies … I came and sat down as a new player … they had not seen me before … [We then] started to discuss the issues and I adopted 'good cop/bad cop' tactics.

He went on to explain that his colleagues in the telecommunications company were surprised with his tactics as he told the representatives from the buying firm that he could not comply with their requirements and that he would leave the negotiations:

It was a bluff of course … But then the negotiator from the buying firm started to vacillate … he changed the subject and started to talk about something else … And the guys from our company sat and looked uncomfortable, wondering what I was doing … But when they changed subject and we did not leave, it was apparent that [the issue] had not been all that important.

Negotiations were then resumed and the deal was eventually closed.

5.2.3 Innovative offering

The second category shown in Figure 5.1, 'innovative offering', referred to the events preceding the actual selling process. The innovative offering had been proposed by the international sales director of the telecommunications company during a visit to the headquarters of the buying firm. The idea of the so-called 'hosting solution' was so novel that it even surprised colleagues within the buying firm. As the director of the telecommunications company ('Respondent I:1') observed:

We were like pioneers in this … even people inside the company thought it was a little crazy.

As shown in Figure 5.1, this category also related to another subcategory —that of 'improvised selling'. This referred to the improvisation that was required within the selling firm when the key account manager was on vacation and staff members from headquarters were forced to take over the selling process. In this particular case, staff members from headquarters found themselves in the midst of the action. The situation was described in the following terms by ('Respondent I:1'):

Things can get a little mixed up sometimes and we can find ourselves in the midst of a mess. This is what happened in this particular business deal … Not only was this a complex service offering, but the account manager was on vacation and other staff members found themselves in the midst of a mess.

This anecdote illustrates that successful salespersons in this industry require both entrepreneurial qualities *and* a willingness to improvise as required.

During the analytical process that produced this first draft of the substantive theory, it became evident that this subcategory of 'improvised selling' was related to the previous category of 'personal selling'. This connection is indicated by an arrow in the model presented in Figure 5.1.

5.2.4 Pedagogic challenge/change of views

The next category for consideration in Figure 5.1 was 'pedagogic challenge/change of views'. This described the challenge of presenting innovative solutions—both externally and internally.

Regarding the *external* challenges, the sales manager at the telecommunications company ('Respondent I:2') explained that it was sometimes difficult to explain the benefits of a service solution in a technology-driven industry:

One of the biggest challenges in selling a hosting solution is to explain the total cost of ownership … many people do not understand it.

This external aspect of this category of 'pedagogic challenge' had three subcategories: (i) 'comparing the incomparable'; (ii) 'absence of reference'; and (iii) 'value adding'. The first of these ('comparing the incomparable') referred to the impossibility of comparing a novel solution with anything else on the market. As the sales manager ('Respondent I:2') expressed it:

It's like buying a grape or an orange … you can't actually compare them.

The second subcategory of this category was 'absence of reference', which referred to the difficulties experienced by the buying firm in understanding the implications of the services being offered. The sales manager ('Respondent I:2') made the following comment regarding this matter:

They don't have an accurate point of reference … They are able to understand the hardware and software … but then I have to add the costs of operations … perhaps two people who are needed to operate these things.

The third subcategory of this category was 'value adding', which referred to the challenge of explaining the value of the offering to the buying firm. The sales manager ('Respondent I:2') observed:

Explaining the extra value in hosting is one of the biggest selling problems; however if I am able to cross this boundary, it is then pretty easy to sell. People then respond by saying: 'Wow! This is perfect! I don't have to care … everything is included.

The *internal aspects* of this category of 'pedagogic challenge' referred to the difficulties of explaining the value of the offering to the people inside the selling firm. The challenge is to overcome a long ingrained tradition in technological services. The sales manager ('Respondent I:2') put it this way:

We have essentially been just 'box sellers' … I put the box here … now I assemble it … now it works … call me if there are any problems.

Moreover, he emphasised the importance of key account managers also being able to speak about 'value' and not just 'boxes':

Our key account managers have to understand and be able to explain the specific features of the offering, and be able to participate in discussions regarding these issues with top-level management in the buying firm.

5.2.5 Marketing versus technology

The final category presented in the model shown in Figure 5.1 is 'marketing versus technology'. This referred to the difference between a modern marketing-oriented view of selling and the traditional technology-oriented perspective of this industry. This category was linked to two other subcategories (i) 'power game'; and (ii) 'gatekeeper problems'.

The subcategory of 'power game' referred to the issues that can arise when a buying firm hands over some of its operations to the selling firm (as occurs with a so-called 'hosting' solution). The business director of the selling firm ('Respondent I:1') described the 'power game' that can then take place within the buying firm when a technology-focused senior executive is confronted with the offering presented by the telecommunications company. This respondent reported the senior executive as saying:

Why should these outsiders take control of something as essential as my central messaging system? This proposal is so outlandish that no discussion is needed! But [another senior executive], who was much less technologically oriented and had a stronger commercial focus, was much more amenable to the idea.

The subcategory of the 'gatekeeper problems' referred to a selling strategy of focusing on the chief executive officer (CEO), rather than the chief technical officer (CTO) who has designed the operation that is the subject of outsourcing negotiations. This strategy was explained by the sales manager ('Respondent I:1') :

This kind of outsourcing solution cannot be sold to a CTO … we have to go to financial and commercial people who understand that this is perfect for business … they are not focused on technology boxes.

The 'marketing versus technology category' is related to the category of 'pedagogic challenge'. This connection is indicated by an arrow in the model illustrated in Figure 5.1.

5.2.6 Summary of status of first draft

This first draft of the substantive model thus consisted of a number of categories linked by the core category of a 'selling entrepreneur in a technological environment'. However, this proposed core category did not fulfil any of the criteria of a core category as proposed by Glaser (1978). According to these criteria, a core category should: (i) depict a basic social process that describes change; (ii) possess explanatory power; (iii) be related to the other categories in a way that integrates them into a whole; and (iv) be "pervasive" and "completely variable" in terms of "degree, dimension and type" (Glaser 1978).

Judged against these criteria, the proposed core category of a 'selling entrepreneur in a technological environment' was not 'processual', 'pervasive', or 'variable'. Moreover, it was not closely related to the other categories and it did not integrate them into a theory; rather, it described an entrepreneur and the context surrounding that entrepreneur. There were also doubts regarding the extent to which this category had any explanatory power.

5.3 Substantive theory after seven interviews

5.3.1 Model after seven interviews

As indicated in Chapter 3, after two initial interviews had been conducted with individuals from the telecommunications company on the subject of the 'hosting' solution, another case in the same company was studied. These subsequent interviews explored the way in which the selling of a more traditional infrastructure solution was undertaken. The data from the interviews in the second case led to certain changes in the emerging structure of the substantive theory. After about seven interviews (in total) had been completed, the substantive theory had the structure depicted in Figure 5.2.

Figure 5.2: Substantive theory after seven interviews
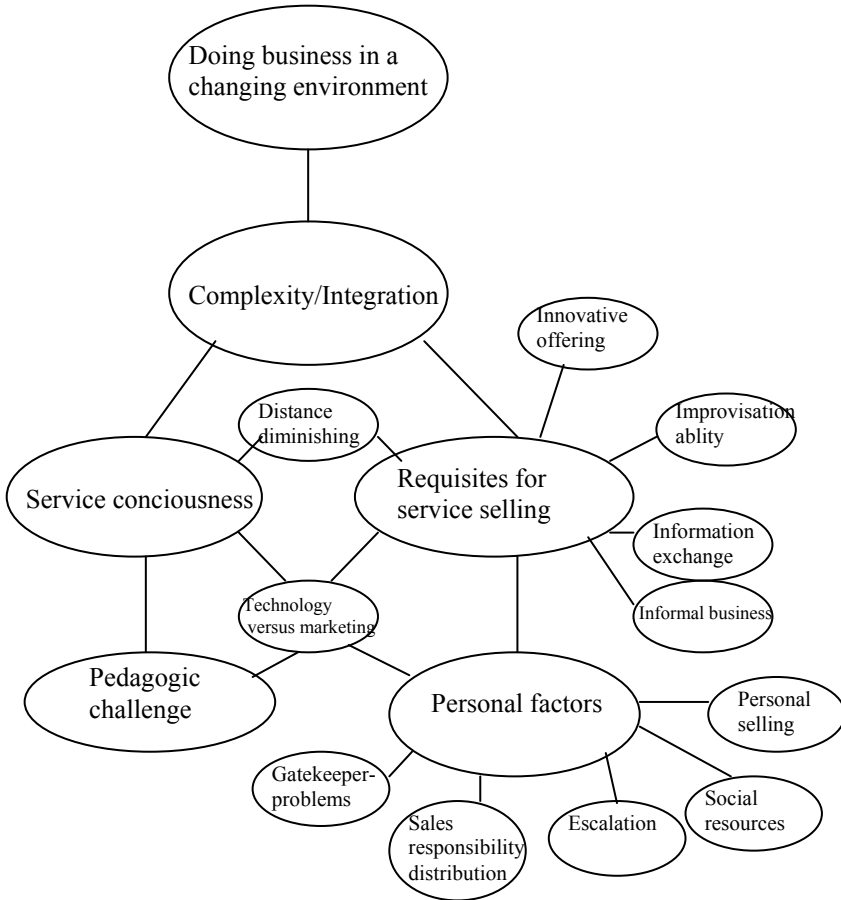
5.3.2 Main changes from first draft

As shown in Figure 5.2, after the second case had been studied the most important categories in the emerging substantive theory were: (i) 'doing business in a changing environment'; and (ii) 'complexity/integration'. These two categories reflect the dynamic and complex manner in which these sales processes were managed.

The entrepreneurial tendency noted in the first case was not as apparent in the second case. However, a new category entitled 'service consciousness' was deemed desirable to describe the way in which the value of the offering was communicated (both internally as well as externally). The formulation of this particular category was prompted by the project manager's emphasis on the importance of communicating the service aspects of the offering to both internal staff members and external customers.

In the second case, the importance of the category of 'distance diminishing' became especially salient. This category reflected efforts to diminish the existing distance between the parties.

The new category of 'requisites for service selling' referred to particular requirements for the selling of services—for example, being close to the final customer and establishing a network of social contacts early in the selling process.

It was also apparent at this stage of the theory-creating process that the model featured a large number of categories and subcategories (in the lower-right quadrant) relating to 'personal factors'—that is, to people and people-related phenomena. The reason for this was that many respondents observed that these 'people-related' dimensions were not recognised and addressed internally to the same extent as the more 'rational' factors (positioned at the left side of the model). Many respondents wanted to talk about these 'personal factors'.

The category of 'sales responsibility distribution' referred to the distribution of responsibility in the selling process, and the category of 'escalation' referred to senior management becoming involved at the end of the process.

5.3.3 Summary of status of model after seven interviews

Although the main categories of 'doing business in a changing environment' and 'complexity/integration' were in accordance with Glaser's (1978) criteria of being 'processual', 'variable', and 'pervasive', it was not readily apparent how these two categories might be merged into a single core category. Moreover, the category of 'doing business in a changing environment' was too general in its formulation.

The category of 'requisites for services selling' was also somewhat problematical. This category was deficient in that it did not describe what was happening in the substantive field; rather, it had the character of a list of 'important things to remember' (before initiating a service-selling process). Nevertheless, this category was retained for the time being because the notion of a 'list' was convenient for adding or subtracting various requisites as further data emerged.

5.4 Substantive theory after thirteen interviews

5.4.1 Model after thirteen interviews

After studying the second case from the same company (that is, the telecommunications company), it became apparent that a similar case in a different setting was required to see whether the suggested categories were applicable in a different environment. In addition, another case that was not characterised by as much technological and organisational complexity was desirable to test the applicability of the emerging categories. The IT company and the industrial services company were therefore contacted with a view to initiating case studies. At the conclusion of a further six interviews (13 in total), the emerging substantive theory appeared as shown in Figure 5.3.

Figure 5.3: The substantive theory after thirteen interviews
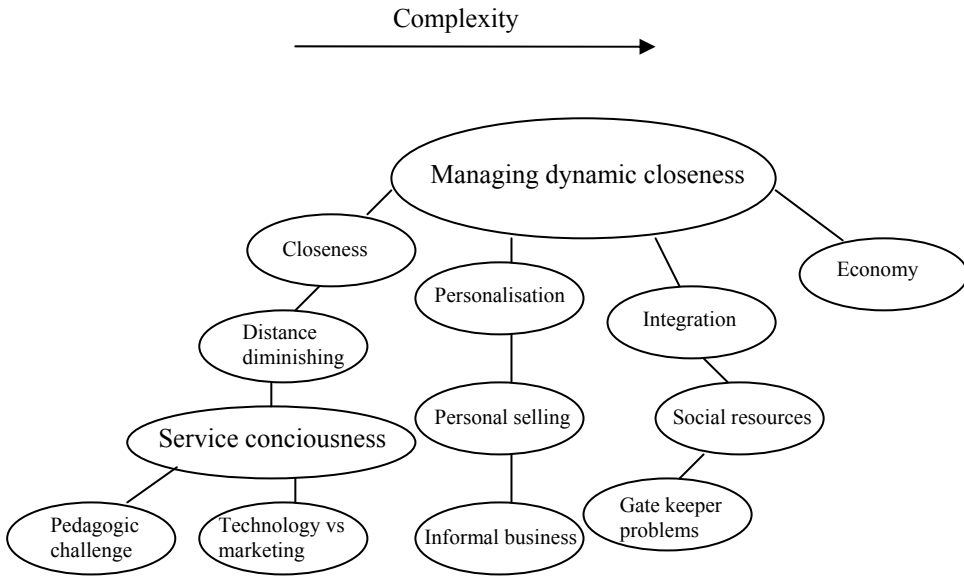
5.4.2 Main changes from previous model

As shown in Figure 5.3, the case studies at the IT company and the industrial services company confirmed that closeness to the customer was crucial. In addition, the specific technical 'complexity/integration' category in the preceding model was replaced by a more general notion of increasing complexity, as indicated by the arrow at the top of Figure 5.3.

In an effort to address this increasing complexity, a new category of 'managing dynamic closeness' was formulated. This category referred to the issue of handling the dynamic changes in the perceived distances between the parties. This category was related, to some extent, to the rest
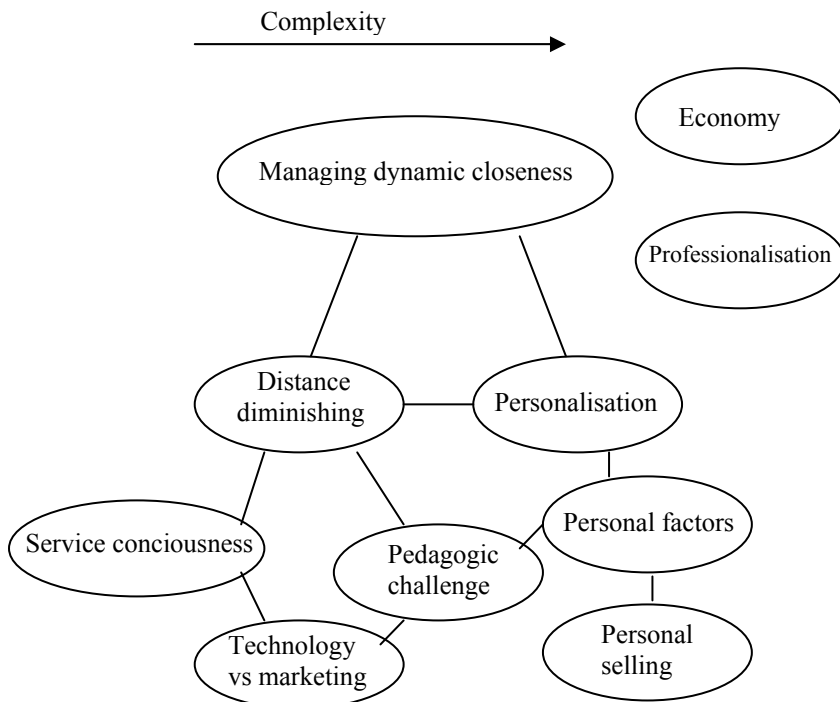
of the model and appeared to have some degree of explanatory power with respect to other categories.

The issues of reducing costs and risks were salient features of the most recent interviews. These issues are represented in Figure 5.3 by the category of 'economy'.

5.4.3 Revised model after thirteen interviews

A more rigorous comparison of the emerging model with the data collected in the more recent interviews suggested that the theory as illustrated in Figure 5.3 was too fragmented. In an effort to integrate the categories more effectively, a revised model was developed, as illustrated in Figure 5.4.

Figure 5.4: Revised model after thirteen interviews

Complexity

Managing dynamic closeness

Economy

Professionalisation

Distance diminishing

Personalisation

Personal factors

Service conciousness

Pedagogic challenge

Technology vs marketing

Personal selling

This model incorporated all the major tendencies that were emerging. For example, the increasing complexity and the importance of diminishing distances were present. Moreover, the categories of 'economy' and 'professionalisation' represented 'rational' categories that effectively balanced the more 'improvised' tendencies. Personal factors were also present, and this category was connected to pedagogic challenges and personal selling.

5.5 Substantive theory after seventeen interviews

5.5.1 Model after seventeen interviews

During further interviews at the IT company, the category of 'formalisation' emerged more clearly as a way of describing the standardisation of purchasing and selling processes. It was also apparent that the current categories required integration and consolidation.

Thus, after seventeen interviews had been conducted, a more densely constructed framework was composed. This is shown in Figure 5.5.

Figure 5.5: Substantive theory after seventeen interviews
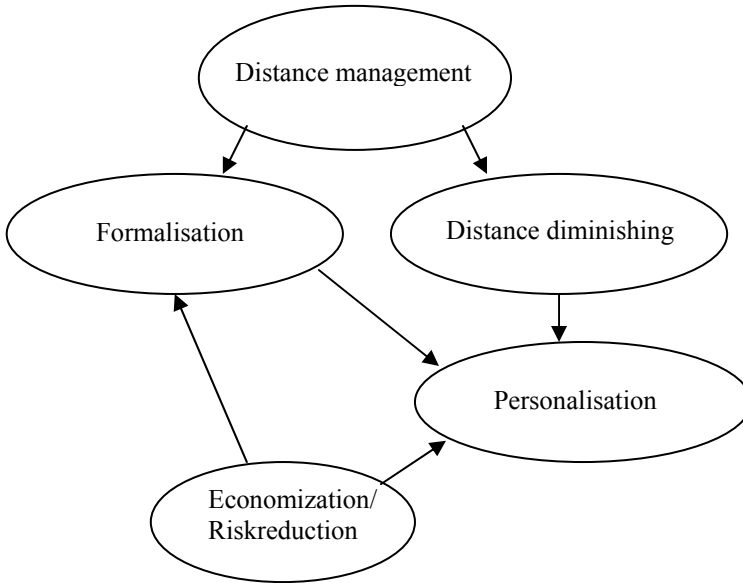

5.5.2 Main changes from previous model

In this version the category of 'distance management' was positioned as a core category in the substantive theory. This reflected the emphasis in the field on management of distances between parties. Furthermore, as can be seen in Figure 5.5, the categories of 'economy' and 'risk reduction' were merged into one and positioned to reflect its effect on 'formalisation' and 'personalisation'. The category of 'personalisation' was positioned to reflect its role as a way of diminishing distances, which was consistent with what was encountered in the substantive field.

At this stage, the model represented a more nuanced picture of the role of individuals and people-related factors as an opposing tendency to the traditional emphasis on 'formalisation' and 'economy'.

5.5.3 Slight revision to model after seventeen interviews

The positioning of the core category, 'distance management', required a slight adjustment to reflect its connection to the categories of 'formalisation' and 'distance diminishing'. This small adjustment is illustrated in Figure 5.6.

Figure 5.6: Substantive theory after seventeen interviews with repositioning of core category
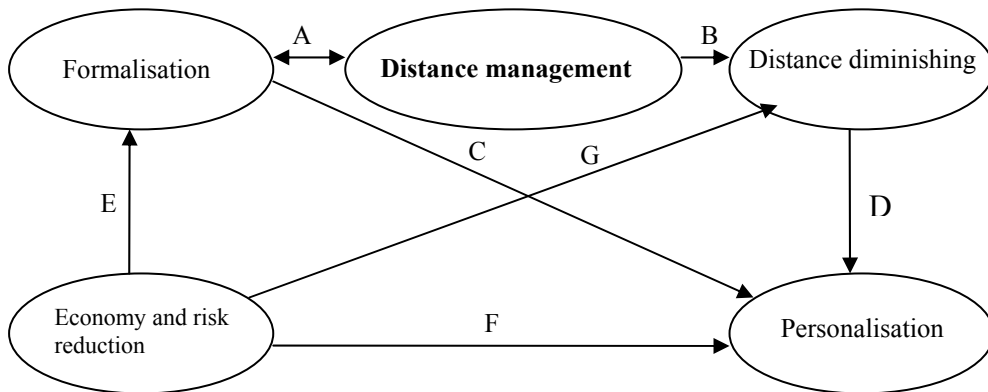
The movement of the core category downwards improved the integration of this category into the substantive theory as compared with the previous version of the theory.

In association with this change, the various arrows between categories were individually identified. Arrow A was dubbed an 'interaction arrow' to denote the reciprocal relationship that existed between the categories of 'formalisation' and 'distance management'— that is, the process of 'formalisation' was both a stimulus for, and a result of, 'distance management'. Arrow B reflected the role of the category of 'distance diminishing' as a means of managing distances, and arrow D reflected how the category of 'personalisation' was a means of diminishing distances. Arrow F illustrated how economic and risk-reduction concerns led to the buying organisation seeking to employ

certain people in a specific project. Arrow G reflected the fact that economic and risk concerns could actually cause parties to seek closer relationships. Arrow C denoted a relationship between 'formalisation' and 'personalisation' as for when personal selling is facilitated by standardised offerings. Finally arrow E depicted how economic concerns can lead to formalisation.

5.6 Substantive theory after incorporation of business categories

5.6.1 Model after incorporation of business categories

The problem with the substantive theory as it was formulated at this stage was that there was nothing to indicate that the two parties were involved in a complex business process. In effect, the business relationship had been taken for granted. As a result of feedback from the respondents and further reflection on the emerging theory, the categories were subjected to extensive reformulation. The emerging theory now appeared as shown in Figure 5.7:

Figure 5.7: Substantive theory after inclusion of business categories
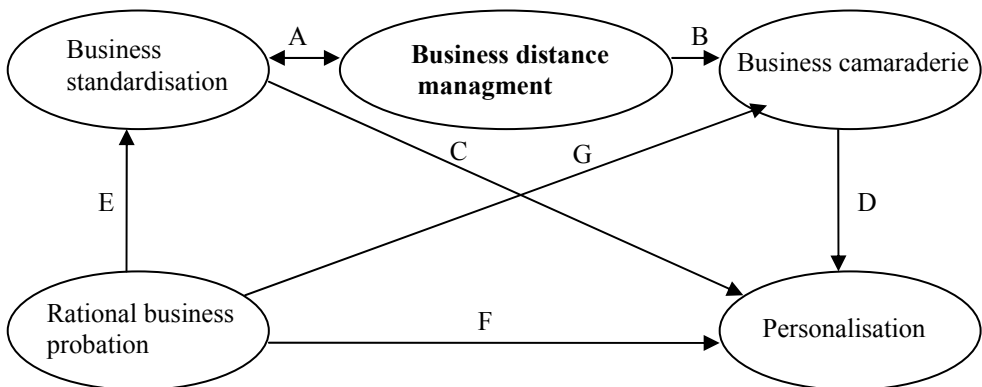
5.6.2 Main changes from previous model

As can be seen in Figure 5.7, the category of 'distance management' was reformulated as 'business distance management'. By doing that, the actual business management and the way that distances were being parried during the interaction process were more effectively grasped.

The category of 'formalisation' was now dubbed 'business standardisation' to reflect the processes of standardisation more adequately. Moreover, by changing the name of the category of 'distance diminishing' to 'business camaraderie', the process by which the parties came together was more effectively communicated in terms of the establishment of a long-term collaborative relationship.

Finally, the rational and economic tendencies were now designated as 'rational business probation' to reflect the fact that this was an ongoing process.

5.7 Late versions of the theory

5.7.1 Late version I

All 21 interviews were completed about one year after the beginning of the field study. At this time it became apparent that problems remained with the version of the theory shown in Figure 5.7. First, the arrows gave the impression of distinctive causal relationships between the categories. Secondly, the model communicated a rather static picture of the processes under investigation. Taken together, these shortcomings in the model portrayed the selling processes as static, linear, and simple endeavours. It was apparent that a more dynamic representation was required, rather than the static graphical illustration of Figure 5.7.

A major rearrangement of the categories was therefore undertaken. In particular, the core category was placed in a central position from which it was dynamically connected to the rest of the substantive theory. This version of the theory is shown in Figure 5.8.

Figure 5.8: Late version I
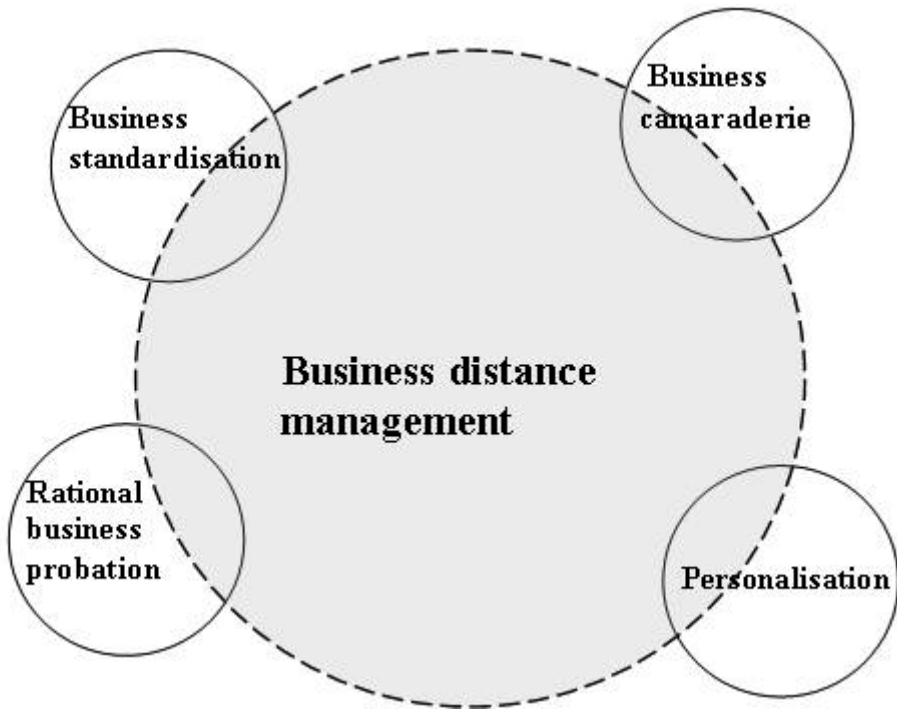
As shown in Figure 5.8, the core category's explanatory power in terms of integrating the other categories was more fully utilised. Nevertheless, based on feedback from the interactive lectures, it was apparent that further modifications to the theory were required.

5.7.2 Late version II

The main concern with the model shown in Figure 5.8 related to the core category of 'business distance management'. The term 'distance' was a remnant from earlier versions of the theory in which distances were central issues in themselves. After appropriate changes, the second definitive version of the substantive theory is illustrated in Figure 5.9. This version was the final empirically derived substantive theory of this study. Noteworthy is that the final name of the core category 'business

manoeuvring' was adopted after the concept of 'business prying' was used during a period of time but found to be inappropriate.

Figure 5.9: Late version II
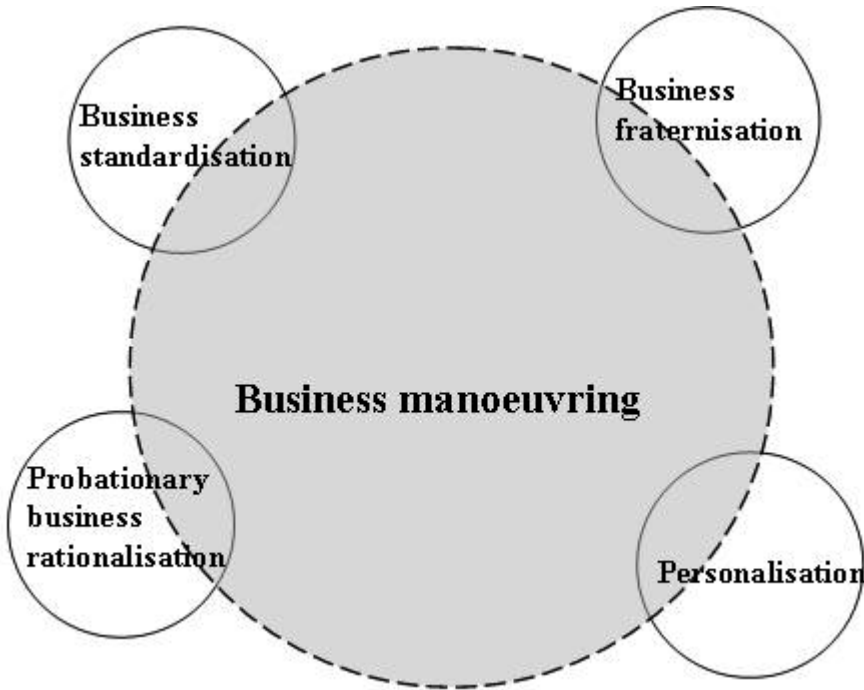
Chapter 6

Contextualisation

6.1 Process of contextualisation

In the literature review of Chapter 2, three questions were posed with regard to how the selling process is conceptualised in the extant literature:

- How is the *process* component conceptualised in the sales-related literature?

- How is the *service* component conceptualised in the sales-related literature?

- How is the *human* component conceptualised in discussions on buyer–seller exchange relationships?

The literature review suggested that few studies grasped all three of these components. In an attempt to address this deficiency in the extant literature, the present study therefore developed and proposed a substantive theory of the selling process, with the core category of 'business manoeuvring' as its centrepiece. Given that the substantive theory claims to incorporate all three components noted above, it is appropriate to place the proposed model in context by examining: (i) the extent to which the three components are actually grasped by the substantive theory; and (ii) how this compares with alternative descriptions in the extant literature.

In undertaking this exercise in contextualisation, each of the components is examined as follows:

- how each component is conceptualised in the present thesis;

- comparisons with conceptualisations in other studies;

- explanation for any differences discovered in these comparisons; and

- implications of these differences.

Following this analysis of the treatment of each component in the present study and previous studies, the chapter proceeds to make an overall assessment of the contributions and limitations of the substantive theory.

6.2 Process component

6.2.1 Conceptualisation in this thesis

In the substantive theory of the present thesis the process component of the selling process is conceptualised by the core category of 'business manoeuvring'. This category reflects the dynamic management of all the other complementary categories in the substantive theory. Judicious management of these complementary categories is required because they represent often-conflicting imperatives as human actors engage in unpredictable social interactions. The central social process of 'business manoeuvring' is thus the means by which the actors resolve their main concern, which is to conduct business.

6.2.2 Comparisons with models in the literature

A comparison of the model proposed in the present study with conceptualisations of the process component of the selling process in the extant literature reveals that salient differences exist with regard to:

- the *premises* on which the various conceptualisations are based (especially in terms of reliance on the pre-existing stepwise linear models of selling);

- the *aims* of the various conceptualisations; and

- the *explanatory power* of the conceptualisations.

With regard to the first of these—the fundamental *premises* on which the various conceptualisations are based—it is apparent that most

of the models of the process component discussed in Chapter 2 (both the linear models and the more dynamic models) have some affinity with the framework of the traditional 'seven steps of selling', and thus fail to reflect the dynamics of the contemporary selling process. In making this observation, it is acknowledged that some of the linear descriptions have been 'updated' to reflect today's practice to a greater extent. For example, Long et al. (2007) added the implications of new technology, Green (2006) added the increasing importance of trust, Shapiro and Posner (1976) emphasised relationship maintenance, and Plank and Dempsey (1980) focused on organisational matters. Nevertheless, even with the addition of these new dimensions, the linear models retain their essential premise that the process component of selling consists of certain 'steps' (or 'stages'), which differs substantially from the basic premise of *dynamism* that underpins the substantive theory proposed in this thesis.

The more 'dynamic' models that were reviewed in Chapter 2 (for example, those of Moncrief and Marshall, 2005, and Persson, 1999) are more recursive than the linear models and greater emphasis is placed on the dynamic nature of the selling process. However, even these models are not free of influence from the old framework of the 'seven steps of selling'. For example, Moncrief and Marshall (2005) discussed the "evolution of the seven steps of selling" and utilised certain "factors" in an attempt to transform the various steps of the old framework to describe today's practice. In a similar vein, Persson (1999) developed a "step by step sales process", which consisted of seven stages, before adding a 'dynamic dimension' by complementing this stepwise model with phases and loops.

Thus, both the 'updated' linear models and the more 'dynamic' models in the extant literature are essentially founded on the premise of the traditional 'seven steps of selling'. In contrast to the *dynamic* nature of the substantive theory advanced in this thesis, most of the models in the extant literature remain, to some extent, *stepwise and linear* in their outlook.

With regard to the second difference noted above—the *aims* of the various conceptualisations—the objective of the present study was in accordance with the approach of grounded theory, which is to identify a "basic social process" (Glaser 1978) that "explains how a main concern is continually resolved in a substantive area" (Glaser 2003). As might be expected, this rather specific goal of identifying a *social process*, which

was based on the chosen methodology for this study, differs from the stated aims of studies that employed other approaches. For example, Persson (1999, p. 211) stated that the aim of his study was to "investigate the sales process", Long et al. (2007, p. 676) described the purpose of their study as being to "*examine and identify the linkages and uses* of the Internet for enhancing the relationships *between sales representatives and business buyers*" [emphasis in original], and Shapiro and Posner (1976, p. 68) aimed to develop a "systematic approach companies can use". Thus, none of the conceptualisations in these studies specifically focused on *social processes* in the way that the present study has set out to do.

With regard to the third difference noted above—the *explanatory power* of the various conceptualisations—a model based on grounded theory should be "dense [and] parsimonious" (Glaser, 1998) and should explain much of the variation found in the data. In accordance with this view, the substantive theory developed in this study consists of only four peripheral categories complementing a single core category that grasps and explains most of the variation found in the data. In contrast to this approach, the dynamic model of Moncrief and Marshall (2005), which consisted only of activities that revolved around the customer (for example, 'marketing the product' and 'problem solving'), did not address other important activities performed by the selling firm, such as pricing and contracting.

Other studies in the literature also have similar shortcomings in terms of explanatory power. Thus, the conceptualisation advanced in the present study differs from those in the reviewed literature in terms of its ability to explain much of the variation found in the data.

6.2.3 Explanations for differences

The differences noted above with regard to the *premise* of the various conceptualisations can be attributed to differences in underlying presumptions about how research should be undertaken. According to the approach advocated by grounded theory, the researcher should be open to what is going on in the substantive field of interest without allowing previous research in the field to prejudice the findings (Glaser, 1998). In contrast, most conventional studies utilise preceding studies to establish a starting point for further enquiry. Thus, the general framework of 'linearity' that was apparent in many descriptions of the process component in the extant literature can be attributed to a reliance on the

traditional 'seven steps' framework of selling. This reliance on previous studies was not an issue for the present study, which consciously set out to 're-conceptualise' the field of enquiry in an effort to remedy a perceived deficiency in the existing literature (namely, a failure to grasp what is really going on in the substantive field).

The differences identified above with regard to the *aims* of the various conceptualisations can be attributed to the use of different methodologies. As noted above, grounded theory aims to describe a basic 'social process' that is involved when actors seek to resolve their main concern. In attempting to grasp 'what goes on' in the substantive field of interest, grounded theory presupposes an exploratory approach that takes the perspective of the involved actors as its starting point. A certain openness and lack of predetermined objectives is thus typical of the grounded-theory methodology. This approach is not necessarily shared by other methodologies.

The differences identified with regard to the *explanatory power* of the various conceptualisations can be attributed to the higher level of abstraction that was deliberately incorporated into the present study. Many of the studies reviewed in Chapter 2 were either based on particular case studies or set out to provide detailed descriptions of particular aspects of the selling process; few set out to provide an integrated substantive theory of the selling process. For example, Long et al. (2007) presented a number of propositions and a conceptual model regarding the use of the Internet in industrial selling processes. These propositions were all practical and useful, but it was clear that the study did not set out to produce an integrated conceptual theory of the selling process in general. It is apparent that the substantive theory of the present study is deliberately expressed at a higher level of abstraction than the model provided by Long et al (2007); as such, it is not surprising that there is a difference in the exploratory power of the conceptualisations.

6.2.4 Implications of differences

It is acknowledged that there are certain advantages associated with the use of previous models of the selling process. The traditional 'seven steps of selling' do simplify the selling process into discrete activities that can be readily distinguished and easily analysed. Moreover, traditional linear stepwise models are in accordance with generally accepted perceptions of

the selling process; as such, they require no further explanation or justification.

Despite these advantages, there is a risk that existing presumptions will never be challenged unless alternative models of the selling process are proposed and tested. Moreover, the selling process in today's industrial markets differs markedly from those of the preceding century. As a consequence, there is a need for new theoretical formulations that reflect what is really going on in the practical field.

In summary, important implications arise from the differences identified between previous studies and the present thesis with regard to the *premises*, *aims*, and *exploratory power* of conceptualisations of the process component of the selling process. In short, existing theory and existing frameworks need to be challenged by approaches of a more exploratory nature to ensure:

- that contemporary industrial market practice is accurately reflected in the theoretical models that seek to describe and explain it;

- that revised theoretical models can provide practical implications of real relevance to the players in today's markets; and

- that new insights, perspectives, and avenues for research can be generated by the explanatory power of revised models of the selling process.

6.3 Conceptualisations of the service component

6.3.1 Conceptualisation in this thesis

In the substantive theory proposed by the present study, the service component of the selling process is represented by collaborative relationships based on mutual understanding and respect and by activities related to the individual's attitudes and mental dispositions. Because the service dimension of the offering cannot always be defined beforehand,

sales representatives must rely on mutual dialogue to understand (and respond to) the preferences and requirements of their customers.

6.3.2 Comparison with models in the literature

A comparison of the model proposed in the present study with conceptualisations of the service component of the selling process in the extant literature reveals that differences exist with regard to:

- the integration and scope of the conceptualisations; and

- the depth and details provided in the conceptualisations.

With regard to the *integration and scope* of the various conceptualisations, many of the studies in the literature focus on particular aspects of the service component, whereas a "broader scope' (Glaser, 1998) is provided in the substantive theory of the present study. For example, studies on 'system selling' have variously focused on 'costs and revenues' (Mattsson, 1973), 'personal selling' (Hanaford, 1976), and 'organisational structure' (Davies et al. 2007). Moreover, there is often a lack of integration of these particular aspects. For example, Mattsson (1973) described system selling in terms of economic consequences, revenue consequences, and profit opportunities; however, the study failed to explain how these economic dimensions affect the act of selling itself or whether these dimensions are influenced by a collaborative relationship between the seller and the buyer.

It is acknowledged that the descriptions of particular aspects of the system selling process are often more detailed and nuanced than those provided by the substantive theory produced in this study; nevertheless, if these detailed descriptions of certain discrete aspects of the selling process are to be satisfactorily integrated into a coherent whole, there is a need for a pervasive element in the conceptualisation—such as the basic social process proposed in the present study—that is capable of synthesising otherwise disparate perspectives.

With regard to the second difference noted above, the *depth and details* of the various conceptualisations, the broader scope of the present study means that the substantive theory presented here is not as detailed as some studies that focus on particular aspects of the selling process. For example, although the present study discusses the property of

'fraternisation competence' (within the category of 'business fraternisation') and notes the importance of having expert knowledge of customer operations when collaborative relationships are being established, the overall treatment of this one subject is necessarily brief in such a comprehensive theory. In contrast, Hanan (1986) provided significantly more detail and in-depth description when focusing on a more circumscribed topic—the importance of having knowledge and information on customer operations for successful 'consultative selling'.

6.3.3 Explanation for differences

The explanation for the differences noted above with respect to the degree of integration provided in the various conceptualisations again lies in the methodology adopted in the studies. As previously noted, grounded-theory methodology aims to provide an integrated theory of broad scope. In achieving such integration, the core category is of crucial importance; indeed, it is possible for a researcher to follow most of the analytical procedure recommended in grounded theory and yet not produce an integrated theory if the core process is either not sought or found. For example, Stremersch et al. (2001) used grounded theory to "compose a conceptual framework of full service", which the authors described as a step "towards a more general theory" of full service offerings. However, although the study identified several characteristics of full-service contracts (such as 'depth of contract', 'scope of contract', 'type of installation', and 'degree of subcontracting'), no core process or core category was discussed or analysed. As a result, the various characteristics identified in the study were not integrated into a coherent theory. Such integration is essential in grounded-theory methodology, and this is the specific role of the core category.

6.3.4 Implications of differences

To provide a conceptualisation that is not integrated has implications for the generalisability of a theory. Although it is true that a grounded theory is not always developed into a more general theory with wider applicability, many grounded theories have been developed in terms of their theoretical generalisability (Glaser, 1978, Gustavsson, 1998). In these instances, the key issue is whether the grounded theory in question has developed a clear core category that is applicable in related areas. If a theory lacks a clearly defined core process it is difficult to develop it into a more general theory. Moreover, given that a theory's theoretical

generalisability enhances its practical utility, a lack of integration also diminishes the practical utility and relevance of a theory.

If an integrating core category is not identified, this has implications for the capacity of a theory to accommodate changing circumstances. In contrast, the establishment of a core category of 'business manoeuvring' in the present study means that the theory remains relevant even if there are changes in the way that business is conducted in industrial markets. The variable social process of 'business manoeuvring' will continue to be pervasive in changing circumstances. This capacity to cope with change contributes to a theory's explanatory power and practical relevance, thus enhancing the empowerment that it can offer to practitioners (Glaser 1978).

In summary, the implications of a failure to provide an *integrated* theory diminishes the conceptualisation in terms of:

- its theoretical generalisability;

- its practical relevance;

- its ability to incorporate change; and

- its explanatory power

6.4 Conceptualisations of the human component

6.4.1 Conceptualisation in this thesis

The human component of the selling process is conceptualised in the substantive theory of this thesis by the category of 'personalisation', which describes individual activities and human interactions. However, it should be noted that all categories in the substantive theory, including the core category of 'business manoeuvring', refer to various activities performed by human actors. The human component of the selling process is thus present in *all* categories of the conceptualisation proposed in the present study.

6.4.2 Comparisons with models in the literature

A comparison of the model proposed in the present study with the way in which the human component of the selling process is treated in the extant literature reveals that differences exist with regard to how social interactions are conceptualised. Within the grounded-theory methodology used in the present study, there is a strong emphasis on producing theory that accounts for the action in the substantive field of interest in terms of *basic social processes*. In contrast, studies in the extant literature have tended to focus on human actors without being concerned with the basic social processes through which they resolve their main concerns.

For example, although Håkansson (1982) posited human actors and social interactions as crucial elements in the exchange of information or finance, the human factor was only one variable among others in the interaction processes in industrial markets. In a similar vein, Turnbull (1979) also emphasised the 'role', 'intensity', and 'style' of human actors, but these were essentially posited as patterns of behaviour that were significant in terms of 'assessment' or 'information exchange'. Thus, in both Håkansson (1982) and Turnbull (1979), the roles of the human actors were viewed as one variable among others, rather than the emphasis being on the actual social process taking place in the field of interest.

In a later development of the interaction approach, Håkansson and Snehota (1995) mentioned patterns of social contact in a study of networks and systems, but their emphasis was on inter-organisational relationships, rather than social processes or general patterns of interpersonal social interactions.

In this research tradition, there are some studies which are reflecting this view that actors are both human and firms. For example, both Walusewski (1989) and Forström (2005) discuss the extent to which human actors actually can affect the exchange process. For example, Forström (2005, p. 180) argues that "social relations and friendships can ameliorate the process, but have little to do with the actual activities carried out in the business exchange". Similarly, Walusszaewski (1989, p. 199) focus on case studies that emphasise the role of the individuals from a methodological perspective, but also nuances the role of single organisations and individuals arguing that "a single actor can never change a network".

Liljegren (1988) put additional focus on the human actor as a constructor of the actual relationship and thus acknowledged that individuals can influence the organisational context. However, it is noteworthy that Liljegren (1988), while using grounded-theory methodology, did not discuss the basic social process involved. Although Liljegren (1988, p. 454) acknowledged that "interdependence and dynamic appear to be related to each other", the absence of a basic social process in the study's conceptualisation meant that there was no pervasive and variable element capable of synthesising "interdependence and dynamic" into an integrated whole.

Norén's (2007) study, which discussed how meaning is created in the interaction process at different organisational levels in the buying and selling firms, did suggest a model with two central themes ('knowledge management' and 'buyer's need') that bore some resemblance to a core category in grounded theory, but neither of the two themes were depicted as a social process; rather, they were presented as interesting aspects of the interaction process.

In summary, the studies of Håkansson (1982), Turnbull (1979), Walusewski (1989), Forström (2005), and Norén (2007) do focus on social interactions, but without discussing the basic social processes involved. Liljegren (1988), who did actually employ grounded theory in his study, also omitted to discuss the social processes involved.

6.4.3 Explanation for differences

The explanation for these differences regarding the way in which the human component is viewed lies in the basic philosophical presumptions of grounded theory. Grounded-theory methodology has its roots in sociology and is related to the sociological perspective of 'symbolic interactionism', which focuses on interpretations of actions and cognitive processes. As a result, there is an emphasis in grounded theory on psychological processes, rather than structural units (Glaser, 1978). Grounded theory thus focuses on how the participants in a given process construct meaning; in other words, grounded-theory methodology concentrates on the action taking place in the substantive field of interest as perceived by the involved actors.

However, the emphasis on a core element that integrates the theory is also to be found in more philosophical standpoints in this methodology. As

discussed in Chapter 3 of this thesis, such a goal is direct related to Popper's (1963, p. 241) contention that a "new theory should proceed from a simple, new, and powerful unifying idea that connects previously unconnected things". The philosophical explanation for grounded theory's emphasis on a core process can thus also be understood as originating from the historical influence of positivism on the grounded-theory methodology.

6.4.4 Implications of differences

According to Glaser (1978), the implication of a focus on social processes is that a grounded theory becomes independent of any particular unit and transcends the data level, thus enhancing generalisability. Moreover, the practical relevance of a theory is likely to be related to the extent to which basic social processes are described in the theory.

A failure to focus on the social processes and the action taking place in the substantive field is thus likely to diminish a theory in terms of both:

- practical relevance; and

- theoretical generalisability.

6.5 Summary

On the basis of the above discussion it is apparent that there are significant differences between the substantive theory of the present study and other studies in the extant literature in terms of: (i) the premises on which they are based (especially the degree of linearity); (ii) the aims of the various studies; (iii) their explanatory power; (iv) their degree of integration and scope; (v) their depth and details; and (vi) how social interactions are conceptualised.

These significant differences between the substantive theory and all other studies discussed in this section reflect the fact that the present study consciously set out to 're-conceptualise' the field of enquiry in an effort to remedy a perceived deficiency in the existing literature (namely,

a failure to grasp what is really going on in the substantive field). This perception led to a certain 'openness' towards both the choice of a suitable empirical methodology and the social processes of human actors involved. If this 'openness' had not been adopted, it is likely that new concepts would have merely been added on to existing models and that the basic structure of existing models would have been endorsed.

The crucial issue is the extent to which the researcher is willing to let the perspective of the practitioners direct the research process. Because preconceptions can always exist, a prerequisite for true re-conceptualisation is genuine openness towards the perspective of the involved actors.

6.6 Elucidation

6.6.1 Limitations and responses

As with all theoretical models, the substantive theory advanced in the present study has certain acknowledged limitations. The first became apparent from the above discussion—that the substantive theory was relatively deficient in terms of detailed descriptions of certain aspects of the model.

A second limitation became apparent during the interactive lectures that were conducted as part of this research. This second limitation was associated with the inherent difficulty of adequately communicating dynamic interplay among categories in a static diagram. The important aspect of *dynamism* in the model was difficult to communicate during the interactive lectures because the schematic diagram of the substantive theory necessarily illustrated several distinct categories. The participants in the interactive lectures understandably perceived these categories as separate (and static) components, rather than as an interactive system of (apparently) conflicting forces, which was the intention of the present author.

Examples of these 'conflicting forces' in the dynamic system of the substantive theory included the following: (i) the selling party wishing to get close to the customer, but not too close; (ii) contracts being used, but

there being an understanding that the contract merely describes the bare minimum of a wider understanding between the parties; (iii) services being standardised, but not to the extent that they fail to take into account the specific needs of the customer;(iv) personal relationships being taken into consideration, but not to the extent of diminishing the fundamentals of prudent business practice; and (v) closeness being required between organisations, but not to the extent of ignoring the legitimate self interests of each party.

These examples of apparently 'conflicting forces' can be characterised, in the language of the substantive theory, as 'dynamic interactions' among the four mutually dependent categories of the model ('business standardisation', 'business fraternisation', 'personalisation' and 'probationary business rationalisation'). However, the notions of 'dynamic interaction' and 'mutual dependence' were not readily apparent to many of the participants in the interactive lectures, who tended to perceive the model in terms of conflicting static categories. To address this limitation, it was apparent that the message of *dynamism* in the substantive theory was in need of further elucidation.

This was achieved by suggesting that the interaction among the various categories could be understood as a dynamic interaction between two sides of the model. On one side, what might be termed the more 'rational' categories ('business standardisation' and 'probationary business rationalisation') were posited; on the other side, what might be termed the more 'processual' categories ('business fraternisation' and 'personalisation') were posited.

To elucidate the dynamic interaction between these two sides of the model, there was a need for participants in the interactive lectures to appreciate the concept of a 'creative tension' existing between two 'opposing poles' of a dialectic dilemma. For this purpose, the present author chose to utilise the notions of 'stillness' and 'motion' as the two 'opposing poles' of the dialectic. In choosing these two dialectical poles ('stillness' and 'motion'), the author drew upon the work of Prigogine (2004), who had won a Nobel Prize and utilised these notions to illustrate the mutual dependence of opposing forces in the natural science of chemistry.

It was therefore decided to modify the model of the substantive theory by indicating that it contained a dipolar dialectic of: (i)

standardised ('stillness') elements; and (ii) processual ('motion') elements. In this dipolar dialectic, the former ('stillness') elements were associated with the formal rationality and standardised structures, whereas the latter ('motion') elements were related to the dynamic behaviour of human actors. This is illustrated in Figure 6.1.
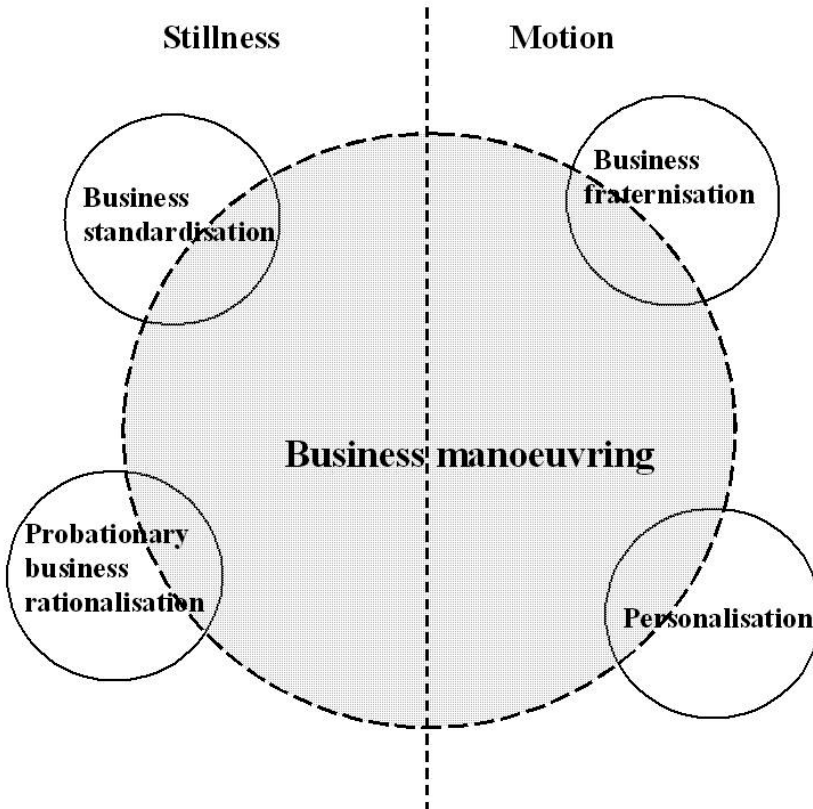

Figure 6.1: Schematic representation of the coexistence of 'conflicting forces' in the substantive theory

As shown in Figure 6.1, the dimension of 'stillness' (on the left of the modified model) includes the relatively standardised and rational categories ('business standardisation' and 'probationary business rationalisation'), whereas the dimension of 'motion' (on the right)

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includes the processual categories of organisational and personal relationships ('business fraternisation' and 'personalisation').

The introduction of this amended schematic diagram in the interactive lectures facilitated the participants' grasp of the dynamic nature of the core category. Indeed, following the introduction of this revised conceptualisation, the participants in the interactive lectures spontaneously began to analyse any proposed new dimensions in terms of 'stillness' and 'motion'. Moreover, some participants even characterised their own organisations as being "good at stillness but not so good when it comes to motion".

It is acknowledged that the division into 'stillness' and motion' is a simplification. Indeed, it is not strictly consistent with all the properties of every category; in particular, social processes are present in all categories. Nevertheless, there were undoubted advantages in presenting apparently opposite tendencies in terms of the creative tension within this dipolar dialectic.

There is no doubt that the addition of this approach was a significant aid in facilitating understanding of these matters, which, after all, was the ultimate purpose of the present study.

Chapter 7

Conclusions

7.1 Summary

This research project aimed to develop a conceptual theory that would facilitate understanding of complex selling processes. The stimulus for the project was a belief that the complexity of contemporary selling processes was not adequately conceptualised in extant theories. This suspicion was confirmed by an examination of the existing literature.

Grounded-theory methodology was chosen for the study because of its suitability for developing empirically based conceptual theory. The substantive theory that was subsequently produced describes the basic social process of complex selling in terms of a core category of 'business manoeuvring'. This core category describes a social process whereby the involved actors resolve their main concern, which is conducting effective business. This is achieved by the judicious management of mutually dependent and complementary activities, which are reflected in the other categories of the substantive theory—'business standardisation', 'business fraternisation', personalisation', and 'probationary business rationalisation'.

Having generated the categories of the substantive theory, a process of theoretical contextualisation was then undertaken to place the developed theory more firmly within the relevant theory of the extant literature on selling. Also, the contextualisation process did clarify both the contributions and limitations of the substantive theory.

7.2 Contributions

The contributions of this study can be divided into *theoretical*, *methodological*, and *practical* contributions.

7.2.1 Theoretical contributions

The theoretical contributions of this study can be summarised as follows.

- *Primary purpose:* The study has achieved its primary purpose of developing empirically based, actor-related concepts to provide a better theoretical and practical understanding of complex selling processes in industrial markets. In particular, the substantive theory has characterised the basic social process of complex selling in terms of the core category of 'business manoeuvring'. This category describes how the involved actors resolve their main concern (of doing effective business) through the dynamic interaction of the other categories identified in the substantive theory ('business standardisation', 'business fraternisation', personalisation', and 'probationary business rationalisation').

- *Emerging service elements in industrial offerings:* The study has also provided insights into the emerging trend whereby a substantial service element is increasingly being introduced into previously goods-based exchange processes in industrial markets. This is a topic of immediate interest as an increasing number of contemporary industrial companies are turning to services and service concepts to gain competitive advantages.

- *Broader and integrated view on industrial exchange processes:* The study has also demonstrated how various elements of marketing can be synthesised by providing a broader and integrated view consisting of a basic social process which is both pervasive and variable in nature.

- *Dynamism in selling processes:* The study has discussed and given empirical examples of the concept of 'dynamism' in a complex selling process. This is a novel way of illustrating the 'creative tension' that exists in the 'dialectic dilemmas' that characterise so many aspects of complex selling processes in industrial markets.

7.2.2 Methodological contributions

The methodological contributions of this study can summarised as follows.

- *Analysis and validation of grounded-theory methodology:* The methodological chapter of this study has presented a detailed analysis of grounded-theory methodology from the perspective of various traditions within the philosophy of science. The analysis has shown that many aspects of grounded-theory methodology are related to the 'positivist', 'hermeneutic', and 'instrumental' research traditions. The present study has thus made a helpful contribution to an appreciation of the relevance, utility, and applicability of grounded-theory methodology in modern scientific research.

- *Practitioners' feedback:* Through extensive use of interactive lectures, the study has gained and utilised valuable feedback from practitioners to validate and develop the substantive theory (as suggested by Gustavsson, 1998). This strategy is not discussed in the traditional literature on grounded theory methodology.

7.2.3 Practical contributions

The practical contributions of this study can be summarised as follows.

- *Practical utility of the theory in general:* This empirically derived theory can be utilised by practitioners to impose a useful conceptual structure on otherwise fluid and intangible processes—thus making them easier to analyse and discuss. This practical utility can range from issues of major import (such as strategic corporate decision-making) to issues of internal education and training (such as initiating a more reflective learning process regarding these matters in general).

- *Assessment of potential and current projects:* The conceptual structure presented in this study can be used to analyse potential business projects and to assess ongoing projects. A selling firm can use the conceptual structure of the substantive theory to analyse the various categories of projects and assess

the internal resources required for the management of these categories.

- *Retrospective analysis:* After completion of a particular business project, practitioners can utilise the substantive theory to undertake a comprehensive and coherent review of what actually happened. Such discussion can provide valuable insights into the firm's strengths and weaknesses in terms of choosing and managing future business projects.

- *Transcending concepts:* It is arguable that the application of a conceptual theory that transcends the data level enables practitioners to integrate apparently separate occurrences within a generalised framework. Such 'conceptual tools' facilitate practitioners' understanding and communication of situations that are encountered during everyday activities. The substantive theory of the present study has potential for application in this regard.

7.3 Future research

7.3.1 Representative generalisability

With regard to the representative generalisability of the substantive theory (that is, the extent to which the theory can be generalised to other complex selling processes apart from those studied here), the positive feedback received from practitioners during this research process suggests that the substantive theory is valid not only in the companies that were the subject of this particular study, but in complex selling processes in general.

Possible avenues of future enquiry include:

- In what industrial sectors is the substantive theory's description of selling processes valid?

- What characterises the companies (in terms of size and profitability) in which the theory is found to be valid?

- To what extent are these companies using service concepts in their offerings?

- How significant are cultural and geographical factors in determining the validity of the substantive theory in particular companies?

7.3.2 Theoretical generalisability

The theoretical generalisability of the substantive theory to other fields (apart from selling processes) could be explored by future studies in:

- purchasing processes;

- negotiation processes;

- innovation and research processes;

Each of these is discussed in more detail below.

With regard to purchasing processes, although the substantive theory of this thesis was concerned with selling processes, it was suggested during the interactive lectures that the categories of the theory were nonetheless also relevant to the main concerns of the purchaser. In particular, the theory is relevant because the purchaser also needs to take into consideration a combination of: (i) standardised and rational concerns; and (ii) collaborative and personal aspects. For example, with regard to the category of business fraternisation, purchasing personnel can also perceive an urgent necessity to maintain a fraternal business relationship with the selling representatives after the actual purchase has been made because an ongoing relationship can be important in ensuring after-sales service. Other categories from the substantive theory could also be offered as examples. Although the precise interpretation of these categories from the selling perspective might differ from that in the buying perspective, the general meaning of the categories will be similar. The applicability of the categories of the substantive theory to the purchasing side is worthy of further exploration in future studies.

With regard to negotiation processes, the theory might have application in a variety of negotiating situations in which the goal is not necessarily the conclusion of a business deal. For example, many political

and diplomatic negotiations are conducted with no intention of concluding a financial business arrangement. It should be possible for the categories of the substantive theory to be adjusted to such non-business contexts in which the actors 'manoeuvre' their way through standardised and processual elements. The precise properties of the categories would have to be adjusted in accordance with the particular situation, but it is reasonable to suppose that the substantive theory could have valuable explanatory power in these situations, as well as in the seller–buyer negotiations for which it was primarily developed. This is worthy of exploration in future studies.

With regard to innovation and research processes, it was observed in one of the interactive lectures that the interplay among the categories of the substantive theory described the innovation and research processes currently taking place in that particular organisation. In particular, it emerged in the lecture that new innovations in the organisation were developed and brought to the market as a result of an interplay between elements that were ostensibly opposed but actually interdependent. It was noted that this interplay was similar to that described in the substantive theory. The substantive theory of the present study might therefore have applications in the management of innovation practices.

7.4 Concluding remarks

This research project has not been a linear process; rather, it has been a dynamic process, characterised by unpredictability. In this regard the research project bears certain similarities to the complex selling processes that it undertook to study. It might therefore be appropriate, in concluding this thesis, to apply certain aspects of the substantive theory to the dynamic research process that produced it.

Just as the substantive theory featured a category of 'business standardisation', there was certainly a dimension of what might be termed 'research standardisation' in this project. For example, a doctoral dissertation must be presented in accordance with certain standardised procedures and requirements; moreover, there were standardised procedures to follow in applying the grounded-theory methodology that was adopted for the study. However, as is the case with complex selling

processes, these standardised procedures and requirements had to be adapted to meet the specific needs of this particular research process.

In common with the substantive theory's category of 'business fraternisation', this research project also had a distinguishable dimension of what might be termed 'research fraternisation'. All those involved in the project, including the actors from the case companies, were aware that the research process constituted a mutual learning process in which the final destination was impossible to predict. In this process of 'research fraternisation', considerable emphasis was placed on the establishment of a mutual understanding that the output of the research project was to provide a broad view of the issues involved, rather than focusing on specific individuals and particular instances. The dimension of 'research fraternisation' was also apparent in the interactive lectures and the positive interaction established during these lectures with practitioners. This process of mutual understanding had to be continuously tested and anchored in relationships with all the actors involved. In this regard, the dimension of 'research fraternisation' in this project had many similarities with the category of 'business fraternisation' described by the substantive theory.

The category of 'personalisation' in the substantive theory, which referred to individuals and their mindsets, was also apparent in this research project as various individuals and their expectations had to be continuously addressed.

The dimension of 'probationary research rationalisation' (analogous to the category of 'probationary business rationalisation') was also apparent in this project. For example, the research objective had to be 'rationally realisable' within such parameters as the given timeframe and chosen methodology of the project. Such rational concerns were also present in the philosophical stance adopted in this study, which reflected a pragmatic understanding of the interrelationships among theories, aims, and methods.

Finally, the way in which these various dimensions of the research project were managed was, in itself, analogous to the core category of 'business manoeuvring'. This process of what might be termed 'research manoeuvring' sought to reconcile and synthesise seemingly opposing research dimensions by 'manoeuvring' them as mutually dependent and complementary elements of the overall research process. In doing so, it

became apparent that a research process (like a complex selling process) requires appropriate elements of stability and instability (or creativity), if it is to be ultimately successful. The present author trusts that this balance has been achieved, and that a worthwhile substantive theory of complex selling processes has thus been generated.

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Appendices

Appendix 1: Keywords used in the literature search (Chapter 2)

When searching for articles on *industrial selling processes,* the following keywords were used:

- 'industrial selling';

- 'industrial selling process'; and

- 'selling process'.

These searches returned 343 items using the Ebsco Host/Advanced search/Abstract/ in Business Source Premier. From this group of 343 items, five articles qualified for this discussion.

Other studies came from: (i) searching the Library National Catalogue using the keywords 'industrial selling' and *industriell försäljning* (70 items); (ii) references found in previously identified sources; and (iii) correspondence with Neil Rackham.

Service component in the sales-related literature

When searching for studies conceptualising the service component in the sales-related literature, the following keywords were used:

- 'service selling';

- 'system selling';

- 'relational selling';

- 'consultative selling'; and

- 'industrial service'.

These keywords were used in Ebsco Host/Advanced search/Abstract/ in Business Source Premier. This search resulted in a total of 789 items, of which nine qualified for this discussion.

Other references were found: (i) using the same keywords when searching the Library National Catalogue (51 items); (ii) through personal contact with Bo Edvardsson; (iii) through a seminar held at the Service Research Center CTF (*Centrum för Tjänsteforskning* – Karlstad University) on 28 August 2007; and (iv) correspondence with Christian Grönroos to identify studies on the selling of complex industrial services.

Actor level

When searching for studies at the level of the human actor, the keywords 'buyer–seller relationships' were used to search the Ebsco Host/Advanced search/Abstract/ in Business Source Premier (208 items). Searches were also made of the interaction and network approaches because the actor level was conceptualised within those frameworks.

Appendix 2: Definitions of components in Chapter 2

In the literature chapter, the following definitions are adopted:

- The 'process component' is defined as the inter-related activities of the selling process.

- The 'service component' refers to either an explicit discussion on services or an implicit discussion in which closely related concepts, as for example "offering complete solutions" or "problem solving" are used.

- The 'human actor' component refers to the individual persons who take part in the selling process.

- Conceptualisations are considered to be 'empirically derived' if it is evident that they are mainly based on empirical data.

Appendix 3 – The term 'business manoeuvring'

The term "manoeuvring" is the translation for the Swedish term "baxning" (att baxa) which according to Swedish Academy Word Book is an old technical shipping term which describes the way that iron-bar levels were used to move heavy objects as cannons and metals, especially in a lateral direction. A manoeuvre is "a deliberate coordinated movement requiring dexterity and skill" (www.thefredictionary.com). The word "manoeuvre" originates from the Latin word "manuoperare", which means "to work (the soil) with the hands" (www.alphadictionary.com).

Appendix 4 – Three different interview situations

As mentioned in Chapter 5, during the initial stages of the interviews, the focus was on certain business cases. As the data collection process continued, more open-ended questions were used to encourage the respondents to speak more freely. Finally, the existing categories were to some extent allowed to guide the interviews. A narrative description of three different interview situations (located at the beginning, in the middle, and at the end of the interview series) can provide a 'close-up' picture of this process.

The first interview:

I arrived at the telecom company's headquarters on an early morning in February, excited to conduct my first interview. It had been a lengthy process to gain access to this particular organisation in order to conduct "two or three case studies". In fact, counting from the day when my contact person at the company confirmed that I could do some case studies, it had taken almost a year to sort out all the practical issues. My contact person at the telecom company had finally suggested the first case and we were walking through the corridors to my first meeting when I noticed that even my guide was having problems navigating through what looked like an infinite network of corridors.

In my left hand, I was managing to hold both a cup of tea and my notepad while in my right, I was keeping a firm grip on my new MP3 player. I had presented the whole project to my contact person as "two or three case studies" and he had prepared the first of them. At the same time, I was aware that focusing on specific cases was not the normal approach used in the methodology I had chosen. The questions I had prepared focused on; (1) the case, (2) the course of events in this particular case, and (3) other respondents to contact. Despite all my preparation, this was a completely new situation for me - but I trusted that everything would work itself out during the course of events.

We arrived at the right office and I realised my fingers were burning since the paper cup did not have any handles, so I quickly put it down on a table and shook hands with respondent No. 1. My contact person exchanged a few words with the respondent and left the room. Respondent No. 1 looked me in the eye and asked:

- "Who's he?"

Surprised by this sudden opening question, I responded without thinking:

- "Excuse me…?"

His determination undeterred, he repeated the question:

- "Who is he?"

The slight nod of his head, with which he concluded the question, towards the now closed door, made me realise that he meant my contact person who at this point had left the room. "He's my contact person here", I replied when I had finally understood what he was asking me about.

Respondent No. 1 continued to look me in the eye and made himself clear:

- "What does he do in this organisation?"

I realised that these two people had never met before and that I found myself in a large organisational setting with any plans that I might have had regarding how to start an interview spoiled. I explained my contact person's role and, taken by surprise by this sudden start, wondered about how to proceed. I decided it would be a good plan to mention the fact that I was going to record the interviews, if for no other reason than just to be able to talk about something else. In the literature, I had been warned that many respondents would be hesitant about this but I thought that if I mentioned it myself, the tension would be less and anyway I felt I had nothing to lose, considering how everything had begun. I told him I was going to record the interview and, to my surprise, he just laughed and said:

- "I guess that means I can never be the president of the USA then…"

Apparently, he could not have cared less about being recorded. This also surprised me; but this time, I did not have to bother about the next question since he started talking about the case without being prompted.

- "My background is that I started here three years ago; I'm from the consultancy industry. Actually, my background is Chalmers University and the University of Gothenburg. I started a consultancy business that this company acquired in 2001…

- "It was an acquisition?" I replied.

My reply was mostly based on a feeling that I had to say something and any previous plans regarding how to structure this conversation had already been forgotten and my sole aim at this stage was to establish something which bore some similarities with an ordinary conversation. Respondent No. 1 then talked about his personal background for a while before focusing on the case we were supposed to discuss. He tried to describe what it was like finding oneself in the midst of the action:

- "Things can get a bit mixed up sometimes and we can find ourselves in the midst of a mess, continued respondent No. 1, which is what happened in this particular business deal … Not only was this a complex service offering, the account manager was also on holiday and other members of staff found themselves in the midst of a mess."(This utterance was then coded as a category called "improvised selling", as seen in Chapter 5, Fig. 5.1. However, this category did not make its way to the final version of the substantive theory.)

After little more than an hour, I left the room with a lot of information about this specific business deal, relieved that the first interview was over.

As we have seen, in this the first interview, I had prepared myself with certain 'case questions' but was taken by surprise when finding myself in a situation where I had to improvise to establish a dialogue. I obtained a lot of information but afterwards I realized that historical data and 'facts' about what happened in a specific case were not as easy to code analytically as accounts of more general aspects. Based on that notion, I decided that when the respondents started to talk more freely, I would at least not try to stop them.

The twelfth interview

At this stage, I had chosen to conduct some interviews at a smaller industrial services company in order to see if the tendencies I had found thus far were present in a smaller organisational setting. The background to this particular interview was that I had talked to the managing director and he promised me a couple of interviews, but then I heard nothing more from him. I sent him a lot of emails but he did not answer. Puzzled by this, I called him again and asked him discretely what the problem was. After a long silence, he responded:

- "If my guys hear that I've given the ok for them to talk to you, they'll use that as an excuse not to work and just talk all day long…"

After I had promised not to allow any conversation with 'his guys' to go on for more than an hour, he gave me a name and I was now sitting in the lobby waiting for this special 'guy' to show up. At this stage, I had abandoned the case structure used in the first interview since I had found that, when asking about specific cases, I had been given a lot of 'facts' but that the things of most interest had sprouted from more open conversations about the interviewees' experiences in general. (However, I always had some 'case questions' to fall back on in case I failed to keep the conversation going). Thus, in this interview, I had only planned to use open questions about business in general and to ask for specific case-related examples if I felt such information was needed.

Suddenly, a man in his late fifties showed up and shook my hand, and I realised he was one of 'the guys'. He introduced himself as the manager of the mechanical division and we then went into his room.

As is often the case, he started talking before I had an opportunity to mention the recording issue and switch on the recorder. When I had dealt with these matters, I asked him to repeat what he had said so that everything could be recorded. I said:

- "There we go, you said something interesting there, in your business you…"

I often used half sentences just to help the respondents to start talking and then it was never a problem to keep them talking. Respondent No. 12 answered:

- "Well, in our business, the way it works is that you have connections…since you've been there before and done some work…(this utterance was coded as a category called "personal factors", as seen in Chapter 5, Fig. 5.2, and later transformed into the category "personalisation", see Fig. 5.3)

- "Mmm…I replied."

Over the next hour, my most common reply was "mmm…" and the respondent just continued talking about interesting things. Since I had omitted the case structure, we did not occupy ourselves with historical events; instead, we focused on what was important to him. After keeping my promise not to exceed an hour, which was not all that easy, I left feeling relaxed and confident about being on the right track.

At this stage, I was more confident about the interview situation since in my experience the respondents, when I had not tried to control the conversation using leading questions, almost always told me about things which were of major importance to them. The challenge at this stage was instead the analytical procedure following the interviews since I felt I had too many categories that had not been integrated (see Chapter 5, Fig. 5.3).

The last interview

This was in December, or to be more precise, the last working day before Christmas. Once I had arranged this interview at the IT company, I did not reflect upon the fact that the respondent was its managing director. However, on the day of the interview, I started to realise that something was different to the previous interviews. On this occasion, I was approached by a secretary who served me tea and told me; "he will be ready in two minutes". She then showed me to his office, telling me that he could only spare "twenty minutes" for the interview.

At this stage, I had a theory that I thought was quite interesting, a notion which made me confident enough to omit preparing any case-related

questions for the interviews, not even as "back up". During the interviews preceding this one, I had used a mix of open questions and my existing categories in order to guide the dialogue.

When I entered his room, we shook hands and I noticed that my respondent had a Christmas gift lying on his desk, indicating that this was not just any normal working day. After briefly mentioning the recording issue (by this stage, I had realised that nobody cared about being recorded), I started the interview with an open question that had proven itself useful in previous interviews:

- "Can you say something about the challenges you face when doing complex deals?"

Respondent No. 21 then started explaining. I mostly responded with my (by this time) well-rehearsed "mmm…" and we talked for an hour. I was already familiar with many of the issues he mentioned, but he, of course, expressed them in his own personal way. For example, when discussing business standardisation, he said:

- "All purchasing processes are ways of making irrational decisions look rational."

(The topic was familiar to me but this incisive wording was new and I used it in presentations during interactive lectures to exemplify the category of business standardisation)

We talked for an hour only to be interrupted by the secretary who came running into the room telling the managing director that he "had to be at a lunch meeting on the other side of town - right now…" The managing director replied calmly:

-"Sorry, I was just sitting here talking about the most interesting things I know…"

I thanked him unaware that we would meet again during an interactive lecture one year hence (interactive lecture No. 8), when I introduced both him and his marketing director to the substantive theory.

During this interview, not much new information emerged, but my existing categories and properties were confirmed (this had also been the

tendency during the interview before this one). I felt reassured that I had reached 'theoretical saturation', as it is called in the grounded theory literature; for me, that meant the end of the interview series.

At the time, I felt my theory was well developed. What I did not know was that I had some major rearrangements ahead of me (these rearrangements are described in Chapter 5, and illustrated in Figs. 5.8 and 5.9). The final adjustment undertaken was finding appropriate English names for the categories and this process was not completed until the spring of 2008. That was more than two years after this final interview.

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