Adding services to product-based portfolios:

An exploration of the implications for the sales function

Daniel Kindström (Corresponding author), Department of Management and Engineering, Linköping University, Linköping, Sweden, daniel.kindstrom@liu.se,

Christian Kowalkowski, Department of Marketing,
Hanken School of Economics, Helsinki, Finland

Thomas Brashear, Department of Marketing,
University of Massachusetts Amherst, Amherst, USA

Abstract

Purpose

The objective of this research is to explore the implications for the sales function of the infusion of services by formerly product-based firms. In particular, it aims at identifying the changes that need to be made at the sales-function level if the services are to be successfully sold.

Design/Methodology

This research is an exploratory qualitative case study. Data were collected by focus group discussions and in-depth interviews with relevant managers in three large multinational companies based in Northern Europe, which were pursuing service-led growth.

Findings

The effects of service infusion processes on the sales function could be seen with respect to the three parts of the analytical framework: organization, roles, and competences. The results illustrate the need for a changed perspective with respect to all three parts, if a product-based firm is to be successful in the infusing of associated services into its portfolio of offerings. Analysis of the results identifies key operational initiatives that management needs to understand and implement when corporate and marketing strategies increasingly focus on service-led growth.

Research limitations

The study was exploratory and vendor centric, which means that it did not quantitatively assess the results or directly involve the customers at whom the services were directed. Also, the choice of business-to-business firms limits the capacity to generalize the findings.

Originality/Value

Whereas relationship-based and value-based selling are approaches more geared to the sales-force level, the study reported in this paper set out to understand fundamental differences at the sales-function level when firms pursue service-led growth. The findings suggest that the realignment of corporate strategy towards an increased focus on services may have far-reaching implications for the sales function.

Keywords: service selling, service infusion; sales function; organization; roles; competences

Article classification: Research paper

Introduction

One of the most important trends influencing the development of sales strategy and the management of the sales function is the growing importance of services in many firms whose portfolio of offerings was formerly focused mainly or exclusively on products (LaForge et al., 2009). Yet firms successfully selling products frequently struggle to sell their services (Ulaga and Reinartz, 2011). The implementation of an overarching focus on service in marketing and corporate strategies frequently demands the realignment of different sales processes to fit a firm's strategic direction (Piercy, 2010), placing new demands on the sales function. In this paper, the sales function is treated as a more comprehensive entity than just the conventional sales department of an organization. Rather, it includes all resources and activities having a direct bearing on the execution of sales-related activities (cf., the service function, Kowalkowski, 2011).

There has been surprisingly little research focusing into the implications of service infusion on the sales function even though the creation of a 'service-savvy' sales force is seen as a key attribute in practice of a successful service provider (Reinartz and Ulaga, 2008). Instead, studies have focused on such issues as new service development in product-based firms (Ettlie and Rosenthal, 2012; Kindström and Kowalkowski, 2009), service infusion trajectories (Matthyssens and Vandenbempt, 2010; Penttinen and Palmer, 2007; Raddats and Easingwood, 2010), and service strategy-structure configurations (Gebauer et al., 2010). Thus, the marketing and sales literature still lack significant contributions to the thorough understanding of the process of selling services in product-based firms, and of the implications and demands of service infusion on the operation of the sales function. Not only is there a lack of research on the selling of services in this context, but the role of the sales function in the creation of value in business relationships also remain unclear (Haas et al., 2012). There is thus a clear need to explore the selling of services both at the level of the sales force level and also with respect to how an increased focus on services affects the whole sales function.

Previous research studies have attributed observable changes in the sales function to a variety of factors, such as the external business environment and technological change (Anderson, 1996), heightened attention to customer relationship management (Weitz and Bradford, 1999), and competitive pressure on firms to make the most of the sales force as a source of competitive advantage (Leigh and Marshall 2001). Service infusion contains ingredients of all these factors (Kindström, 2010) and can thus be seen as a multi-dimensional influence on the

operation of the sales function. Based on these various gaps in the published literature, the objective of the structured qualitative study reported in this paper is to explore the implications for the sales function of the infusion of services by formerly product-based firms. In particular, it identifies the changes that need to be made in the sales function if the services are to be successfully sold.

In the remainder of the paper, we first offer a theoretical framework which defines the conceptual background and uses three key dimensions—organization, roles, and competences—as the basis for understanding how the sales function needs to change in order to meet the requirements of service infusion. We then describe our qualitative study and its empirical results. The paper concludes with a statement of key managerial issues, followed by a discussion of the practical implications for sales and marketing practice, and the theoretical issues for future research.

A changing sales function

It has already been noted that successful product-based firms frequently find it hard to sell their customers strategically important services, a phenomenon that has been ascribed to inherent differences between the characteristics of the products and services in their portfolio of offerings. Those would relate, for example, to the process nature of service delivery and the difficulty of visualizing services beforehand (Lovelock and Wirtz, 2007; Kindström et al, 2012), and also to fundamental differences between product and service perspectives on value creation (Grönroos and Ravald, 2011; Terho et al., 2012). Given the potential strategic benefits of service infusion it is an important failure not to convert principles into practice. To overcome the problem, the focus of customer interaction needs to shift from the current situation to the fostering of longer-term relationships (Gebauer et al., 2005; Penttinen and Palmer, 2007). Although customer interaction and participation in production and delivery are essential characteristics of services (Fliess et al., 2014), there is still little known about (changing) customer roles in service sales processes.

Furthermore, in the business-to-business context in particular, services affect the customer's own operations whereas products are used in them. That being so, the value proposition should tend toward the emphasis of value-in-use (Anderson et al., 2007). The selling of a service thus shares characteristics with relationship selling (Drollinger and Comer, 2013; Jolson, 1997; Schultz et al., 1999) and value-based selling (Terho et al., 2012; Töytäri et al., 2011). The former can be seen as a prerequisite for the latter, which reflects a service-based

mindset and demands an in-depth understanding of the customer's business model (Terho et al., 2012). However, both concepts are often linked to complex offerings, such as integrated solutions, in which the vendor is compensated on the basis of the customer's value-in-use (Crosby et al., 1990; Storbacka, 2011). Services do not have to be complex offerings, however. In fact, services added to the portfolio of offerings by product-based firms are many times more basic services such as inspection, maintenance and ad-hoc repair of the installed base: products that have already been sold to the customer (Gebauer et al., 2010; Kowalkowski, Witell and Gustafsson, 2013; Visnjic and Van Looy, 2013). Furthermore, a major conceptual difference between service selling and either relationship or value-based selling is that the applicability of the latter two is contingent on such factors as customer types and different stages in the buyer-seller relationship (Terho et al., 2012). Relationship-based and value-based selling are thus different approaches, more geared to the sales-force level, whereas the study reported in this paper set out to understand fundamental differences at the sales-function level when firms move to service infusion.

Though Sheth and Sharma (2008) confirmed that relatively little research attention had been paid to changes in the operating environment that would have an impact on how the sales function is managed, Anderson (1996) has identified relevant forces under three headings: behavioral, technological, and managerial. The first of those, which would include rising customer expectations and the globalization of markets, are closely related to the external drivers behind the increased interest in services. The second category, including the various interactive mechanisms of e-commerce and online services, can be seen in the burgeoning influence of digitalization both as a driver for service innovation and as a key element in the delivery of new services. An example of managerially-driven forces would be a strategic shift to direct marketing. As firms infuse services into their offerings, elements of all three will be in play and the impact on the sales function will be observable on several levels.

The effects of service infusion extend to organizational departments and functions beyond those concerned directly with the provision of the service itself, and that will include the sales function (Kowalkowski, 2011). For example, the services provided will typically be more interactive with respect to patterns of communication and relationships between seller and buyer (Lovelock, 1983). Consequently, a broader, multi-dimensional framework is essential to a real understanding of the impact an increased focus on services has on a product-based firm's sales function. The salesforce and salespeople in this new era have new challenges related to the individual and organizational knowledge and skill sets (e.g., Ulaga and

Loveland, 2014), the role of the saleforce within and between organizations (e.g. Storbacka et al., (2009) and understanding structure, management and coordination of the transformed salesforce (e.g., Sheth and Sharma, 2008). In the research study reported in this paper, the three-way categorization of the sales function depicted in Table 1 forms the structural framework for the subsequent discussion of each category in turn.

INSERT TABLE 1 HERE

Organization

As product-based firms add service elements to their offerings the need for a more relationship-focused, or customer-focused, strategy and structure of the sales function can be discerned (Piercy, 2006; Storbacka et al., 2009; Weitz and Bradford, 1999), where the emphasis is switching from the level of the salesperson to that of the sales organization (Sheth and Sharma, 2008). Among other reasons, the need is to have more points of contact with the customer's organization, at several levels. Likewise, as patterns of more cross-functional activities, such as internal organizational partnering, are surfacing and becoming more important in achieving better customer value (LaForge et al., 2009), this change of focus to that of the sales function is also warranted. Firms developing these strong collaborative organizational relationships internally have been shown to satisfy customer needs more effectively (Piercy and Lane, 2005) and to become more adept at achieving higher levels of customization of their service offerings (Storbacka et al., 2009). These demands change the sales cycle and the required vision and composition of the sales teams and networks, requiring a keen understanding of the evolving configuration (structure) of the sales team and network throughout this sales cycle (Ustuner and Godes, 2006).

The services offered have become not only more numerous but many times also more advanced. In that respect, the research literature has made a distinction between such basic services as ad-hoc repairs and the supply of spare parts, and such more advanced offerings as full-service contracts and performance agreements (Stremersch et al., 2001). As the service offered becomes more sophisticated and (probably) more customized, the need increases for effective coordination of the sales-plus-service effort within the vendor's organization (Kowalkowski, 2011; Ulaga and Reinartz, 2011). Specifically, it becomes necessary to address the internal competences required by the organization, e.g. teams, rather than by individuals. This is particularly true when the increased sophistication of the offering becomes more time and resource intensive, as is often the case in practice (Reinartz and Ulaga, 2008). The sales literature has shown that teamwork is generally more profitable and

6

effective than the best efforts of individuals (Weitz and Bradford, 1999), also pointing in the same direction.

Roles

The shift toward services has been accompanied by a trend to, among other things, customer-focused selling, or 'consultative selling' (Moncrief et al., 2006; Sheth and Sharma, 2008). Relatively few studies, however, have set out to classify different types of sales roles and the exceptions have tended to focus on product sales. Yet a key element of understanding the implications of service infusion for the sales function is to be able to define the roles that need to be fulfilled by individuals in the sales function, to predict whether or not they will change as a firm extends its offering and, if so, how. The importance has also been emphasized of understanding the balance within the sales function among roles that focus on products or on services, and combinations of the two (Kohli et al., 1998). It has further been argued by Gebauer et al. (2005) that firms may dedicate sales resources to the selling of services, in a dual modus operandi. Reinartz and Ulaga (2008) have similarly suggested that a separate service-selling sales force may be a necessity, even if that is achieved by re-training the existing salespeople.

Competences

Within a product-focused organizational structure, sales staff tends to be product specialists (Homburg et al., 2000; Ulaga and Reinartz, 2011) and selling has previously been viewed primarily from a transaction perspective (Crosby, etal, 1990; Weitz and Bradford, 1999). Already more than 30 years ago Dubinsky and Rudelius (1980) found that selling techniques varied according to whether what was being sold was a product or a service, which points to the need, in practice, to vary the mix of competences within the sales function to suit the situation.

The salesperson's role in the longer-term and deeper relationships that tend to characterize services is crucial to the creation of value with customers (Weitz and Bradford, 1999) and the competences needed for that to be developed within the sales function. As services are propelled into focus, an individuals needs to become a facilitator of contacts and competences rather than 'merely' a salesperson (Sheth and Sharma, 2008). It is asserted by Day (1994), for example, that such spanning of capabilities is a key ingredient of firms' competitive success. Salespeople who perform these cross-boundary roles are in a position to increase the flows of

information both to and from vendor and customer (Piercy and Lane, 2005) and thus to facilitate the achievement of deeper relationships and greater opportunities for customization.

Consequently, the competences and skills demanded of salespeople in product-based firms adopting a service infusion strategy may be expected to differ from those required in traditional product-oriented salespeople (Davies et al., 2010; Weitz and Bradford, 1999). Ulaga and Reinartz (2011), for example, found that to sell hybrid offerings (combinations of products and services) requires a different approach and also different capabilities. It has similarly been argued that specific skills come into consideration when services are being sold, in part due to the specific characteristics of the service selling process (Roegner et al., 2001).

Methods and data

The aim of the research study reported here was to explore the implications for the sales function as firms extend their portfolio of offerings by adding associated services to existing products. Given this exploratory, discovery-oriented approach, the research design follows the familiar form of qualitative data collection and analysis, based on real-world case studies: see, for example, Eisenhardt and Graebner (2007) and Yin (2003). With reference specifically to research focused on the sales function, Williams and Plouffe (2007) have proposed that the unit of analysis should shift from the level of the individual salesperson to that of the whole function, in order to better capture what is happening in reality.

Research design

Given the research objective, the frame from which the case firms were chosen had to consist of firms exhibiting clear characteristics of being in the transition phase of implementing service infusion by adding services to their portfolio of offerings to their customers. They were chosen by 'theoretical sampling' rather than statistical sampling, in the qualitative pursuit of enhanced analytical generalizability rather than the quantitative quest for statistical representativeness (Eisenhardt and Graebner, 2007; Gibbert et al., 2008; Yin, 2003). This meant, among other things, that each case firm stood on its own as an analytical unit.

All three firms eventually chosen offer a comprehensive range of products and services. They all provide services that range from relatively basic services (such as safety inspection and ad-hoc repair) to more advanced ones (such as various asset optimization and availability services), and they are all premium-priced market leaders in terms of product quality and performance. All three have internal service organizations dedicated to delivery of their

services. As their markets are to a great extend saturated, with increasing competition and reduced average profits, the firms have identified services as key for future competitive advantage and growth. The firm characteristics are briefly summarized in Table 2.

INSERT TABLE 2 HERE

The managers interviewed remarked that the 'indirect' character of the firms' core products, which are typically what might be called 'consumables' (i.e., products that need to be replaced in intervals, that customers buy repeatedly, and that typically do not directly go into the customer's own products as e.g. components), increased the perceived challenges of selling the associated services, especially on account of a clear corporate focus on the product in their own and most of their customers' organizations. Nonetheless, the products are in all three cases vital for many customers' production processes, and as such of great importance; if products are unavailable when needed or fail, the entire production process may stop, thereby causing major losses. These characteristics could limit the generalizability of the research findings, but stem from a deliberate methodological choice made to enable a more clear-cut distinction with respect to the selling of products versus services.

Research process

Triangulation is argued to be one of the best means by which to increase construct validity and reliability, and to substantiate findings (Gibbert et al., 2008; Yin, 2003). Throughout the fieldwork, three primary data sources were used to achieve this: face-to-face interviews, focus groups, and secondary data in the form of both internal documents and external sources. The intention of this element of the research design was also to minimize biased interpretations on the part of respondents.

Data collection took place in five phases (see Table 3) permitting iteration between empirical data and theory in what Dubois and Gadde (2002) call the 'abductive' approach to case research. Data collected in interviews with managers were systematically grouped and regrouped into emergent themes related by their relationship to the conceptual framework developed in Phase 2. The methodological rationale was to ensure a firm grounding in both empirical reality and theory. All but three of the interviews were recorded for subsequent transcription. The other respondents could be interviewed only by telephone, because of their location at the time. The written-up case material was later presented to the original respondents for review, in order to minimize misunderstandings and errors of interpretation (Gibbert et al., 2008).

INSERT TABLE 3 HERE

In Phase 1, focus group discussions were conducted with managers from all three participating firms. In this and subsequent focus groups a core group attended all discussions in each firm, but actual numbers could change if, for example, core members thought it would be useful to have other participants join the group for a particular agenda. The topics in the moderator's discussion guide were the selling services and the challenges posed by the increasing importance of services. This discussion generated a number of tentative general challenges and potential managerial implications.

Phase 2 applied the findings of Phase 1, which had assumed only that an increasing focus on services would have significant effects of some sort on the sales function, to the generation of a multidimensional conceptual framework, from which was derived a semi-structured interview guide and a specification of respondents from various hierarchical levels in all three firms who would be best equipped to offer insights, based on their knowledge and experience, in one-to-one depth interviews during Phase 3. In Phase 3, 15 individual interviews were conducted with sales managers, salespeople, others involved in service delivery, such as service technicians and service engineers, and with managers responsible for service development. Respondents were evenly distributed within the three firms and represented a variety of hierarchical levels in the case firms. It was thus possible to introduce an element of triangulation to the analysis and thereby improve the validity of the data. These in-depth face-to-face interviews lasted between one and a half and three hours. Analysis was first carried out on a within-cases basis before being before cross-case comparisons were undertaken, ensuring a qualitative pattern-matching logic in developing the findings (Eisenhardt, 1989; Yin, 2003). This process of comparison increased both the validity and robustness of the results. For each case, at least two participating researchers conducted the analysis before making a comparison and synthesis at a later stage (Yin, 2003).

In Phase 4, various of the preliminary findings were validated and examined in more depth in two new focus groups comprising managers from the three case firms and four other firms with similar characteristics, yet different industries. These four other firms only fulfilled a validation purpose and did not add any new data. This procedure not only validated the analysis but deepened understanding of the issues at hand and the theoretical framework (cf. Martin and Horne, 1992). Based on this validation process (i.e. the focus groups), as the need to clarify some issues arose, a number of additional respondents of interest were identified within the original three case firms and subsequently interviewed, using the same interview

guide and at the same level of detail and duration. Phase 5 incorporated the new data from the additional interviews into the existing analysis. Finally, the resulting analysis was discussed, for validation purposes, in a further focus group.

The adopted approach of combining focus groups with semi-structured interviews in case-study settings has much in common of what some researchers have called engaged scholarship research: "a collaborative form of inquiry in which academics and practitioners leverage their different perspectives and competencies to co-produce knowledge about a complex problem or phenomenon" (Van de Ven and Johnson, 2006, p. 803). Formal discussion of the preliminary findings of the study with respondents from the three case firms plus the four brought into the research at Phase 4 permitted further analysis and validation of the results, thereby strengthening the conclusions with regard to both research and practice (Matthyssens and Vandenbempt, 1998; Stewart and Shamdasani, 1990).

Findings and discussion

The findings of our case studies suggest that the realignment of corporate strategy towards an increased focus on services may have far-reaching implications for the sales function. The nature of these realignments has not been studied in detail previously. In every case firm, the effects of the switch could be seen with respect to all three parts of the analytical framework: organization, roles, and competences. The results illustrate the need for a changed perspective with respect to these categories, sometimes a completely new one, if a product-based firm is to be successful in the infusing of associated services into its portfolio of offerings. In addition, the importance of changing customer roles was an emerging key finding, which emerged through our discovery-oriented research approach. Our findings also identify key managerial activities that need to be addressed by those responsible for the sales function in achieving intended outcomes of service infusion.

Organization

Decision makers in all firms acknowledged that the introduction of service offerings typically demands more specialized knowledge than when the focus was wholly on products. A major issue addressed by the respondents is a more detailed understanding of how their customers actually use the product with which the services are associated and of the nature of their operation. That knowledge, which will ideally embrace the sale of the product, the delivery of the service, and the postdeployment phase (Tuli et al, 2007), can be applied to the specification and provision of the vendor's range of services. A practical consequence is that

11

the sales function will need to deploy more resources throughout the sales process. In other words, the sales effort has to become a coordinated effort in which teamwork is more necessary than it was before, as Weitz and Bradford (1999) have asserted. In all three cases, these coordinated teams were found to be often cross-functional, drawing resources from a wide range of specializations across the firms. Examples of such organizational functions in this research included salespeople, sales managers, service technicians, and specialists in the development of specific applications and services for offer to customers. Particularly complex and advanced services, often described as 'solutions' by the respondents, and also elsewhere (cf e.g. Nordin and Kowalkowski, 2010), also involve negotiation between senior management on both the vendor and customer side of the relationship, depending on the particular circumstances. In the case firms, however, such opportunities to sell particularly advanced services occurred relatively seldom and tended to be treated as unique processes.

One of the most organizationally significant observations among the case firms was the extent of the coordination with and involvement of a firm's service-delivering operations during the sales process. This took place in a variety of ways, reflecting the fact that the service organization tends to be the part of the firm that interacts most frequently with the customer. One of the first aspects found (explicitly in two firms and implicitly in one) was the charging of the organization's service function with the key task of generating sales leads, by capturing customers needs, which are often manifested in the discovery of problems in the customer's processes and relaying them to the area within the sales function responsible for that particular customer. One sales manager put it bluntly: "The people who are the best at selling services, and best suited to the job, are often the ones who actually deliver the service". This is particularly important as the product markets for the case firms are saturated and they need to find new ways to achieve grow.

A second aspect identified in the research was the casting of the service function in the role of enhancer of vendor-customer relationships, even as the 'owner' of the relationship, in the sense of being the primary resource and point of contact with the customer's organization. The service function thus acts as an extended sales function and tends to carry out the majority of customer visits. This places emphasis on coordination, and also on mutual understanding and information sharing, between the sales and service functions. This coordination issue also points to the broader role that sales can play to bring the parties together with the goal of having like minds communicate as well as observe and understand customer processes.

However, coordination was little developed, formally, in the case firms, and the relatively limited level of coordination that was found to exist was typically undertaken on an ad-hoc basis, primarily as a result of personal initiatives and interest and not as part of a formal process. This suggests an enhanced need for the sales force to be more connected with other functions in the organization including marketing (Maltz and Kohli, 1996) and the service organization (Kowalkowski, 2011). One salesperson remarked that "smart and experienced salespeople use the service organization, and ask them to check things as they visit their customers". Firms that take advantage of this cooperation increase the visibility of the service organization throughout the sales process.

The case firms' sales forces tended to fill available time in selling core products, partly because their product-based business was successful and partly because, in this context, the value of a product sale was normally higher than that of a service sale. The salespeople therefore tended to focus on the monetary value of an actual sale (the basis of their remuneration) and pay little attention to the value of its repeatability: the fact that more services sold could generate future sales and better customer relationships over time. As a sales manager responsible for the service operations in one case firm put it, "The service has leverage on a larger deal even if the particular service business in question is relatively small". As of now, none of the case firms had incentive systems in place that rewarded service sales directly. Echoing the consensus in the marketing and sales literature, respondents remarked that selling services, in general, often required repeat visits and a greater degree of continuity than the selling of a product, and had thus consumed more resources when the outcome (of the sales process) was successful. That is another factor that a too small and overstretched sales force may overlook, with the consequence that it reverts to selling only traditional products as it is less resource-consuming and thus, from the individual sales person's perspective, more rewarding. Only one case firm has (so far) extended the sales force by adding salespeople and other resources dedicated to the selling of services. However, it is seen in all three firms as an initiative that potentially could 'kick start' the service-selling process. This specialization of resources have been shown to increase effectiveness in other areas (Barney, 1990; Hitt et al., 2001).

Lastly, the case firms' experiences show that, in almost every situation, the selling of services follows the same process as the selling of products, via the same market channels and the same personnel in the same organizational structure. Difficulties can arise if selling services and products end up in competition, for example with regard to available time, given that

product salespeople have typically been recruited on the basis of competence profiles that are quite different from those expected of service salespeople. A well-functioning product-oriented sales organization can actually have a negative effect on burgeoning services sales, as core rigidities can become a side effect of this capability (cf. Leonard-Barton, 1992). Related to this, managing, and balancing, the sales process and implementing incentives schemes that encourage the sales of services are typical challenges experienced by the case firms.

Roles

The studied firms reported key changes in various attributes of sales function roles, and specifically sales persons' roles, as they increased their focus on services. The firms acknowledged the need to change but also found that identifying the new roles, the knowledge and attributes involved, and transforming the sales function roles, were all daunting. Our study has found that the roles in the sales function are changing as firms increase their focus on services (see Table 4).

INSERT TABLE 4 HERE

The changes affecting the service-providing firms are structured into two distinct new roles: *solver of customers' problems* and *deliverer of brand value* to the customer. Several respondents described the difficulty of changing to these new modes. One salesperson explained that "Changing roles is not an easy thing …If you end up with different roles … there is the fear of lacking sufficient knowledge of an area".

The role of acting as a problem-solving resource for the customer is not entirely new for the case firms, nor is it driven solely by an increased focus on services, but it is increasingly emphasized as services become a more prevalent component of the firm's total offering. Respondents in all three case firms discussed that the more advanced the services offered became, the more the vendor's sales function becomes a resource to be used by customers for the solving of their own problems and the creation of additional value. This transformation can be seen as what has been described by Grönroos and Voima (2013) as a customer induced 'co-creation' process. Major issues associated with problem solving are the proactivity of the salesperson and the maturity of the customer's understanding and perception of the services on offer. One respondent noted that "customers who are better educated and more mature [with regard to services] seem to be more inclined to participate and to understand the value [to be created by services]".

The second role, deliverer of brand value to the customer, relates to the increasing comprehensiveness of the vendor's value proposition, and also of the sales strategy as a firm infuses services into its business. Kindström et al. (2012) have observed that, as those added services become a larger part of total offerings, the intangibility of the performance typically increases, and this was echoed in all three case firms. As they point out, the salesperson consequently needs to devote more attention and effort to explaining the value to the customer. In the case firms, evidence of this was seen in the type of competences needed but also in that the sales function and the salespeople were no longer seen as selling a product but rather a brand and the value it represents. That reflected the comparative difficulty of leveraging the value associated with, for example, long-term commitment, proactivity and responsiveness. Respondents in the study argued that such intangible values are more easily incorporated into a brand than into a product. One sales manager explained that he was "looked upon as a business consultant [to the customer] and not as a sales engineer". That change may be ascribed to the different sales approach he adopted in his changed role: "When I sell services, or value, I don't mention our products once".

Not only are the roles within the sales function changing, but also those of the customer's organization were identified as changing. Again, two distinct roles could be discerned in this research: *"specifier" of the problem* to be solved by the vendor and actual *user of the service* provided. Both pertain to the process of value co-creation and the importance of the customer being a part of the service process. The problem specifier plays a much more active role than previously, in discovering and discussing problems that may exist and, through dialogue with the vendor's sales function, finding the appropriate services. Increasingly, traditional "buy and sell" activities can thereby be replaced with value-based negotiations (cf., Payne and Frow, 2014). Despite extensive research on the dynamics of customer participation in service production and delivery (e.g., Bitner et al., 1997), prior service research has generally not focused on customer roles during the preceding sales process in which the value proposition is crafted.

As for the role of service user, one of the imperatives noted by our respondents was to enable the customer to be able to use the service correctly and to understand its value over time. If the vendor can 'teach' the customer to make use of the service in the optimum way, the traditional role of passive service recipient can be transformed into one of active service user, who understands and appreciates the real, long-term, and continuing potential of the service over time. Some researchers have built this conceptualization into their studies of the service

delivery process (Kindström and Kowalkowski, 2009) and the post-deployment phase of the service relationship (Tuli et al., 2007). This role-specific transformation was regarded as a key component for successful service sales, especially regarding advanced and extensive services. Although service research acknowledges that customers are often active participants in service processes (Grönroos, 1978; Mills and Moberg, 1982), product-based firms, such as those in our study, frequently regard services as a closed production system resembling manufacturing, which implies a passive customer role (Bowen et al., 1989). As firms sell more (and more advanced) services, the importance of correct usage (co-production) and dialogical interaction increases. Hence, firms strive to foster more active and effective customers.

Respondents from all three case firms noted that the process of selling services is more time consuming and more resource intensive than the selling of products. It is not necessarily more complex but was reported to require more numerous contacts with a greater number of people. They furthermore argued that service selling requires an adaptation of sales-related communication to fit the needs and expectations of recipients on different levels within the customer organization throughout the process. Many time, selling a service may demand a set of different entry points compared with product sales, typically with those higher in the hierarchy of the customer's organization but also with different functions and roles within that organization. One sales manager commented that "a good sales person sets the agenda and invites the right people to the meeting. One has to have the appropriate recipient [for the service value proposition] and take one's lead from the customer's actual problem". Thus, developing the service user role may require teaching the customer certain behaviors (cf., Payne et al., 2008) as well as targeting also other decision makers than those in the traditional buying center.

Competences

As services become an integral part of many product-based firms' portfolios of offerings, the competence profile of salespeople and the whole sales function needs to change accordingly (Roegner et al., 2001; Weitz and Bradford, 1999). The findings of our own research suggest that the new competences needed can fit into three general classes: *customer-focused*, *spanning*, and *vendor-focused*. Table 5 describes their distinctive characteristics.

INSERT TABLE 5 HERE

A fundamental challenge is both the increased complexity of the value proposition and the customer's needs, which place new demands on the competence set needed by the sales function in general and the individual salesperson in particular. First, all case firms reported that their salespeople need a better and broader understanding than before of their customers' businesses: the customer-focus competence. That is, they need to develop a more pronounced business competence but also a greater ability to understand value creation within the customer's organization, and making it tangible. As one sales manager put it: "Over the last five years, higher demands have been placed on the salespeople to sell not only the products but also the brand and the entire firm. This requires a broader skill set and greater business competence on the part of the salesperson". This points to the need to develop educational programs focusing on a value-based approach to selling, something that is emphasized in the case firms. As in value-based selling, salespeople need to convincingly demonstrate the value potential beforehand, which may require new sales tools for value visualization.

The second key competence demanded is that salespeople become boundary-spanners not only in transferring and coordinating customer needs but also in being able to coordinate the vendor's products, services, and combinations of the two and internal competences (the vendor-focus competence) to meet complex customer needs (the spanning competence). The third key competence, internal focus, involves coordination and involvement of more internal resources, including people. It requires a pronounced team-leading competence, focused on consolidating a range of efforts and finding the appropriate resource for a particular aspect of the sales process. Several of the case firms' sales managers emphasized such competences. As one explained: "Good [service] salespeople act more like 'a spider in its web'… much more like project leader for the customer". To adopt the terminology of Verbeke et al. (2011), they become a sort of knowledge-broker, acting as a conduit both between the seller and the customer and also internally between different parts of the selling organization.

The findings in this study also identify two gaps that influence the selling of services in contrast to the more traditional competence of salespeople in product-based firms. First, a knowledge gap[1] arises when the salesperson does not fully understand the service offered and what it can achieve. As more services are added, even those with extensive product knowledge may find it increasingly difficult to fully grasp all aspects of the new services. They can thus become reluctant to try to communicate and sell their firms' services to

---

[1] As pointed out by reviewers, the identified knowledge gap can also be present in product selling when dealing with more complex products (than is the case in this research) and when the sales process requires high technical competence as well as selling capabilities.

customers. Secondly, a value gap arises when a salesperson's estimate of the value to the customer of acquiring a particular service is different from the real value-in-use for that customer. It consequently becomes difficult to visualize the total value to the customer and thus more difficult for the customer to make a properly informed purchase decision. Both discrepancies are primarily attributable to a lack of the necessary competences and can, potentially, have serious implications for customers' willingness to purchase the offered services and hence for the firms' revenues.

Conclusions

We have seen that the selling of services by firms that were hitherto focused on products demands the involvement of a wider range of specializations within the vendors' organization. It is therefore strategically useful to examine the nature and operation of this extended sales function and to understand what needs to be in place for the selling of those services to succeed. The research study reported in this article identifies a number of operational areas that need to be fully understood if a firm is to satisfy the new demands on the sales function emanating from new corporate and marketing strategies that increase the focus on service. It detects practical implications of the service infusion process in all three dimensions of the conceptual framework proposed: organization, roles and competences.

Theoretical implications

As a first contribution, our study underscores the parallel need for change in the vendor's sales organization, to meet the new internal and external challenges. As other organizational disciplines need to become more involved in the process (in particular, service delivery), the provision of coordination mechanisms becomes vital. Previous research into service infusion has indeed argued that multiple organizational units are influenced, and need to change, when firms move into services and that this multiplicity needs to be managed effectively (e.g., Kowalkowski, 2011). Our own specific study of service selling has confirmed that proposition. The implication is that, when selling services rather than products, it is even more necessary to examine and understand organizational coordination and change at the sales function level rather than the sales force level only.

Second, the study found that new roles have to be defined that extend beyond the traditional product-based sales function. In the new context of service infusion, the roles in question are not only more comprehensive but also involve a level of interaction that goes beyond what that term normally implies, permeating the boundaries between vendor and customer. Less

recognized in previous research studies are the changes in the roles of the customer throughout the sales process. In particular, they are transformed from passive recipients of a predefined, fixed offer into more active participants in the process of value creation throughout the duration of the service relationship. In research on integrated solutions the active role of the customer has been recognized as key factor for successful sales (Tuli et al., 2007). Although research exists on customer involvement in service provision (Fliess et al., 2014) new service development (Melton and Hartline, 2010), and from a co-creation perspective (Payne et al., 2008), prior research on service infusion tends not to focus on the customer's role as a part of the sales process.

Third, and partly as a consequence of the need for new roles, new demands are obviously placed on both the actual sales force and those who manage and control sales resources. This study identifies three general classes of competences needing attention: customer-focused, spanning, and vendor-focused. The scope of managerial competences also expands, in that they migrate into areas traditionally occupied by the customers' own people or third party consultants.

Lastly, on a final note, our study does not fully support the conclusions of earlier research that a dedicated service-selling sales force is the way to increase the sales of services (Gebauer et al., 2005; Reinartz and Ulaga, 2008). There are indications in our respondents' comments that a separate sale force selling services might be of interest but all three case firms were reluctant to put the principle into practice except in certain specific situations, primarily to kick-start the process when the timescale was shorter-term and resources were limited. Also, having resources specialized in selling services was seen as one way of minimizing the two identified knowledge gaps and to, in an initial stage, develop the needed competences.

Managerial implications

Managers responsible for selling services in product-based firms face a number of challenges, and our study has identified managerial actions that have the potential to meet those challenges. They are listed in Table 6, categorized by reference to the three dimensions of the conceptual framework.

<center>INSERT TABLE 6 HERE</center>

A key issue emphasized throughout the study by all participating executives was the need for internal coordination of the service-selling operation. Given that the time horizons involved are frequently longer, more intensive interaction and a broader set of competences the sales

<center>19</center>

function must be extended to also other areas. Particularly stressed was the need for cooperation with service-delivery personnel and recognition of them as a key partner in the sales process, not least because they maintain the vendor-customer relationship throughout the life cycle of a service. This cooperation functions both as a guarantee that the promised value proposition is realized and also as a means of capturing the potential for future value creation. Many respondents emphasized the need for formal incentive systems and IT-support systems to aid the service function in this process.

A second key issue raised was the development of the necessary new competences and skill-sets. The increased complexity of the value proposition and of the customer's needs, demand new skills and competences of the sales function in general and the individual salesperson in particular. First, salespeople need a better and broader understanding than before of their customers' businesses: the customer-focus competence. They need to develop a better grasp of the business arguments for and against their service offerings and a greater ability to understand the process of value creation in their customer's operations. As one sales manager put it: "Over the last five years, higher demands have been placed on the salespeople to sell not only the products but also the brand and the entire firm. This requires a broader skill set and greater business competence on the part of the salesperson". The urgency of this challenge, clearly perceived within the case firms, identifies the need to develop internal educational programs that are focused on a value-based approach to selling.

A third issue was the organization of training on the interpretation of profit-and-loss accounts and balance sheets, for key people both in the vendor's sales function and the customer's own operation. This activity was seen as pivotal because the impact of the new services on a customer's business performance would typically be quite different from the impact of the products they were supporting. This was the strategically key competence of 'visualization', which would facilitate the management and control of the integration of the customer into the service-provision process as an active participant.

The overall conclusion of our study is that, when services are being sold to customers, the vendor's sales function should: adopt a more problem-solving approach (diagnosing, suggesting and in some instances even implementing solutions); be innovative (bringing new ideas and innovations to the customer); and be able to focus on more than just the technical aspects of the service (understanding the business implications and the drivers of value for the customers). Our findings also indicate that it is necessary to modify the incentive systems applied to the different areas of the sales function. It further finds that parallel change is

needed in the systems implemented for the service-delivery operation, to mirror their role in maintaining the service relationship and acting as a generator of sales leads. These are the challenges that need to be addressed if the selling of services is to be successful, and will demand strong alignments among organization, roles and competences in the sales function.

Limitations and further research

As an exploratory, discovery-oriented investigation of service selling by product-based firms, this study naturally has certain limitations, some of which offer fruitful opportunities for research. First, it did not directly involve the customers at whom the services were directed. If that were to be done in future studies, beneficial insights into the co-creator roles of the customer and their perceptions of boundary-spanning roles and visualization competences (for instance) could be achieved.

Second, the choice of the particular type of firm, and their product and service portfolios, to be case firms limits the capacity to generalize the findings. Future extension to firms marketing more complex and capital-intensive products could yield other interesting insights as they, among other things, may exhibit different types of service. That said, most previous studies of product-based firms have targeted firm of that kind (e.g., Davies et al., 2007; Raddats and Easingwood, 2010), so the empirical context of our study is interesting. Future research could usefully compare change in the sales function during implementation of service infusion between a range of types of manufacturers. Furthermore, the product-service shift could be explicitly compared with shifts form basic, standardized offerings (services and/or products) to advanced, customized ones.

Third, there are other factors, of particular interest when product-based firms approach service selling although not pertinent to the conceptual framework of this study, which can influence how services are sold. Two that are frequently cited in other discussions are customer characteristics, such as their willingness to embrace transparency and open themselves up to collaboration with the vendor, and the criticality of the service to the customer's core business. Another factor is the type of services provided as the level of complexity of the provided service may influence the sales process. Although these are external contingency factors from the vendor's point of view and thus have not been studied in detail in this research, they are nevertheless relevant topics for future research.

References

Anderson, J.C., Kumar, N., and Narus, J.A. (2007), *Value Merchants: Demonstrating and Documenting Superior Value in Business Markets*, Boston, MA: Harvard Business School Press.

Anderson, R. E. (1996), "Personal Selling and Sales Management in the New Millennium", *Journal of Personal Selling and Sales Management*, Vol. 16 No. 4, pp. 17–32.

Babakus, E., Cravens, D. W., Grant, K., Ingram, T. N., and LaForge, R. W. (1996), "Investigating the relationships among sales, management control, sales territory design, salesperson performance, and sales organization effectiveness", *International Journal of Research in Marketing*, Vol. 13, No. 4, pp. 345-363.

Baldauf, A., Cravens, D. W., and Piercy, N. F. (2001), "Examining business strategy, sales management, and salesperson antecedents of sales organization effectiveness", *Journal of Personal Selling & Sales Management*, Vol. 21, 2, pp. 109-122.

Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of management*, *17*(1), 99-120.

Bitner, M. J., Faranda, W., Hubbert, A., and Zeithaml, V. (1997), "Customer contributions and roles in service delivery", *International Journal of Service Industry Management*, Vol. 8 No. 3, pp. 193–205.

Bowen, D. E., Siehl, C., and Schneider, B. (1989), "A framework for analyzing customer service orientations in manufacturing", *Academy of Management Review*, Vol. 14 No. 1, pp. 75–95.

Cespedes, F. V. (1994), "Industrial marketing: managing new requirements", *Sloan Management Review,* Vol. 35 No. Spring, pp. 45–60.

Crosby, L. A., Evans, K. A., and Cowles, D. (1990), "Relationship quality in services selling: An interpersonal influence perspective", *Journal of Marketing*, Vol. 54 No. 3, pp. 68–81.

Davies, A., Brady, T., and Hobday, M. (2007), "Organizing for solutions: Systems seller vs. systems integrator", *Industrial Marketing Management*, Vol. 36 No. 2*,* pp. 183–193.

Davies, I. A., Ryals, L. J. and Holt, S. (2010), "Relationship management: A sales role, or a state of mind? An investigation of functions and attitudes across a business-to-business sales force", *Industrial Marketing Management*, Vol. 39, pp. 1049–1062.

Dawes, P. L., and Massey, G. R. (2005), "Antecedents of conflict in marketing's cross-functional relationship with sales, "*European Journal of Marketing*, Vol. 39, No. 11/12, pp. 1327-1344.

Day, G. S. (1994), "The capabilities of market-driven organizations", *Journal of Marketing*, pp. 37−52.

Drollinger, T., and Lucette B. C. (2013), "Salesperson's listening ability as an antecedent to relationship selling", *Journal of Business and Industrial Marketing,* Vol. 28 No. 1*,* pp. 50-59.

Dubinsky, A. J. and Rudelius, W. (1980), "Selling techniques for industrial products and services: are they different?", *Journal of Personal Selling and Sales Management*, pp. 65-75.

Dubois, A. and Gadde, L.-E. (2002), "Systematic combining: an abductive approach to case research", *Journal of Business Research*, Vol. 55 No. 7, pp. 553–560.

De Ruyter, K., Patterson, P., and Yu, T. (2014), "13 are you (appropriately) experienced? Service–sales ambidexterity", In Rust, R. T., and Huang, M. H. (Eds.), *Handbook of Service Marketing Research*, Edward Elgar Publishing.

Eisenhardt, K. M. (1989), "Building theory from case study research", *Academy of Management Review*, Vol. 14 No. 4, pp. 532-550.

Eisenhardt, K. M. and Graebner, M. E. (2007), "Theory building from cases: Opportunities and challenges", *Academy of Management Journal*, Vol. 50 No. 1, pp. 25–32.

Ettlie, J. and Rosenthal, S. (2012), "Service innovation in manufacturing", Journal of Service Management, Vol. 23 No. 3, pp.440-454.

Fliess, S., Dyck, S., and Schmelter, M. (2014), "Mirror, mirror on the wall – how customers perceive their contribution to service provision", *Journal of Service Management*, Vol. 25 No. 4, pp. 433–469.

Gebauer, H., Edvardsson, B., Gustafsson, A., and Witell, L. (2010), "Match or mismatch: strategy-structure configurations in the service business of manufacturing companies"; *Journal of Service Research,* Vol. 13 No. 2, pp. 184–197.

Gebauer, H., Fleisch, E. and Friedli, T. (2005), "Overcoming the service paradox in manufacturing companies", *European Management Journal*, Vol. 23 No. 1, pp. 14–26.

Gibbert, M., Ruigrok, W., and Wicki, B. (2008), "What passes as a rigorous case study?", *Strategic Management Journal*, Vol. 29 No. 13, pp. 1465-1474.

Grönroos, C. (1978), "A service-orientated approach to marketing of services", *European journal of Marketing*, Vol. 12 No. 8, pp. 588–601.

Grönroos, C. and Ravald, A. (2011), "Service as business logic: implications for value creation and marketing", *Journal of Service Management*, Vol. 22 No. 1, pp. 5-22.

Grönroos, C. and Voima, P. (2013), "Critical service logic: Making sense of value creation and co-creation", *Journal of the Academy of Marketing Science*, Vol. 41 No. 2, pp. 133-150.

Haas, A., Snehota, I. and Corsaro, D. (2012), "Creating value in business relationships: The role of sales", *Industrial Marketing Management*, Vol. 41 No. 1, pp. 94-105.

Hitt, M. A., Biermant, L., Shimizu, K.,and Kochhar, R. (2001), "Direct and moderating effects of human capital on strategy and performance in professional service firms: A resource-based perspective", *Academy of Management journal*, Vol. 44, 1, pp. 13-28.

Homburg, C., Workman Jr J. P. and Jensen, O. (2000), "Fundamental Changes in Marketing Organization: The Movement Toward a Customer-Focused Organizational Structure", *Journal of the Academy of Marketing Science*, Vol. 28, No. Fall, pp. 459-78.

Ingram, T. N., LaForge, R. W., and Leigh, T. W. (2002), "Selling in the new millennium: a joint agenda", *Industrial Marketing Management*, Vol. 31, No. 7, pp. 559-567.

Jolson, M. A. (1997), "Broadening the scope of relationship selling", *Journal of Personal Selling and Sales Management,* Vol. 17 No. 4, pp. 75–88.

Jong, A., Verbeke, W., and Nijssen, E. (2014). "Introduction to Special Issue: Sales and Innovation", *Journal of Product Innovation Management*, Vol. 31, No. 4, pp. 643-646.

Kindström D. (2010), "Towards a service-based business model – Key aspects for future competitive advantage". *European Management Journal*, Vol. 28, No. 6, pp. 479-490.

Kindström, D. and Kowalkowski, C. (2009), "Development of industrial service offerings – A process framework", *Journal of Service Management*, Vol. 20 No. 2, pp. 156–172.

Kindström, D., Kowalkowski, C., and Nordin, F. (2012), "Visualizing the value of service-based offerings—empirical findings from the manufacturing industry", *Journal of Business and Industrial Marketing*, Vol. 27, No. 7, pp. 538–546.

Kohli, A., Shervani, T. and Challagalla. G. (1998), "Learning and performance orientation of salespeople: the role of supervisors", *Journal of Marketing Research*, pp. 263-274

Kowalkowski, C. (2011), "The service function as a holistic management concept", *Journal of Business and Industrial Marketing*, Vol. 26 No. 7, pp. 484-492.

Kowalkowski, C., Witell, L., and Gustafsson, A. (2013), "Any way goes: identifying value constellations for service infusion in SMEs", *Industrial Marketing Management*, Vol. 42 No. 1, pp. 18-30.

LaForge, R. W., Ingram, T. N. and Cravens, D. W. (2009), "Strategic alignment for sales organization transformation", *Journal of Strategic Marketing*, *17*(3–4), 199–219.

Leigh, T. W., and Marshall, G. W. (2001), "Research priority in sales strategy and performance", *Journal of Personal Selling and Sales Management*, Vol. 21 No. 2, pp. 74−83.

Leonard-Barton, D. (1992), "Core capabilities and core rigidities: A paradox in managing new product development", *Strategic Management Journal*, Vol. 13, pp. 11-125.

Lovelock, C. (1983), "Classifying services to gain strategic marketing insights", *Journal of Marketing,* Vol. 47, pp. 9-20.

Lovelock, C., and Wirtz, J. (2007). *Services Marketing: People, Technology, Strategy.* Pearson Prentice Hall, New Jersey, NJ.

Maltz, E., and Kohli, A. K.. (1996), "Market intelligence dissemination across functional boundaries", *Journal of Marketing Research*, pp. 47-61.

Martin, C. R. and Horne, D. A. (1992), "Restructuring towards a service orientation: The strategic challenges", *International Journal of Service Industry Management*, Vol. 3 No. 1, pp. 25–38.

Matthyssens, P. and Vandenbempt, K. (2008), "Moving from basic offerings to value-added solutions: Strategies, barriers and alignment", *Industrial Marketing Management*, Vol. 37 No. 3, pp. 316–328

Matthyssens, P., and Vandenbempt, K. (1998). "Creating competitive advantage in industrial services", *Journal of Business and Industrial Marketing*, Vol. 13 No. 4/5, pp. 339–355.

Matthyssens, P., and Vandenbempt, K. (2010), "Service addition as business market strategy: identification of transition trajectories", *Journal of Service Management*, Vol. 21 No. 5, pp. 693–714.

McDonough, E. F. (2000), "Investigation of Factors Contributing to the Success of Cross-Functional Teams", *Journal of product innovation management*, Vol. 17, No. 3, pp. 221-235.

Melton, H., and Hartline, M. (2010), "Customer and frontline employee influence on new service development", *Journal of Service Research*, Vol. 13 No. 4, 411–425.

Menguc, B., Auh, S., and Uslu, A. (2013), "Customer knowledge creation capability and performance in sales teams", *Journal of the Academy of Marketing Science*, Vol. 41, No. 1, pp. 19-39.

Mills, P. K., and Moberg, D. J. (1982), "Perspectives on the technology of service operations", *Academy of Management Review*, Vol. 7 No. 3, pp. 467–478.

Moncrief, W. C., Marshall, G. W. and Lassk, F. G. (2006), "A contemporary taxonomy of sales positions", *Journal of Personal Selling and Sales Management*, Vol. 26 No.1, pp. 55-65.

Nordin, F., and Kowalkowski, C. (2010), "Solutions offerings: A critical review and reconceptualisation", *Journal of Service Management*, Vol. 21, No. 4, pp. 441–459.

Oliva, R., and Watson, N. (2011), "Cross-functional alignment in supply chain planning: a case study of sales and operations planning", *Journal of Operations Management*, Vol. 29, No. 5, pp. 434-448.

Payne A., and Frow, P. (2014), "Developing superior value propositions: a strategic marketing imperative", *Journal of Service Management*, Vol. 25 No. 2, pp. 213–227.

Payne, A., Storbacka, K. and Frow, P. (2008), "Managing the co-creation of value", *Journal of the Academy of Marketing Science*, Vol. 36 No. 1, pp. 83-96.

Penttinen, E., and Palmer, J. (2007), "Improving firm positioning through enhanced offerings and buyer – seller relationships", *Industrial Marketing Management*, Vol. 36 No. 5, pp. 552–564.

Piercy, N. F. (2006), "The strategic sales organization", *The Marketing Review*, Vol. 6 No. 1, pp. 3−28.

Piercy, N. F. (2010), "Evolution of strategic sales organizations in business-to-business marketing", *Journal of Business and Industrial Marketing*, Vol. 25 No. 5, pp. 349–359.

Piercy, N. F. and Lane, N. (2005), "Strategic imperatives for transformation of the sales organization", *Journal of Change Management*, Vol. 5 No. 3, pp. 249–266.

Piercy, N. F., Cravens, D. W., and Morgan, N. A. (1997), "Sources of effectiveness in the business-to-business sales organization", *Journal of Marketing Practice: Applied Marketing Science*, Vol. 3, No. 1, pp. 45-71.

Raddats, C. and Easingwood, C. (2010), "Services growth options for B2B product-centric businesses", *Industrial Marketing Management*, Vol. 39, No. 8, pp. 1334-1345.

Rangarajan, D., Chonko, L. B., Jones, E., and Roberts, J. A. (2004), "Organizational variables, sales force perceptions of readiness for change, learning, and performance among boundary-spanning teams: A conceptual framework and propositions for research", *Industrial Marketing Management*, Vol. 33, No. 4, pp. 289-305.

Reinartz, W. and Ulaga, W. (2008), "How to sell services more profitably. *Harvard Business Review*", No. May, pp. 90-96.

Roegner E. V., Seifert T., and Swinford D. D. (2001), "Putting a Price on Solutions", *The McKinsey Quarterly*, Vol. 3, pp. 94-97

Schultz, R. J., Evans, K. R. and Good, D. J. (1999), "Intercultural interaction strategies and relationship selling in industrial markets", *Industrial Marketing Management*, Vol. 28, No. 6, pp. 589-599.

Sheth, J. N. and Sharma, A. (2008), "The impact of the product to service shift in industrial markets and the evolution of the sales organization", *Industrial Marketing Management*, Vol. 37, No. 3, pp. 260–269.

Singh, J., and Rhoads, G. K. (1991), "Boundary role ambiguity in marketing-oriented positions: a multidimensional, multifaceted operationalization", *Journal of Marketing Research*, pp. 328-338.

Stewart, D. W., and Shamdasani, P. N. (1990). *Focus Groups: Theory and Practice*. Thousand Oaks, CA: Sage Publications.

Storbacka, K. (2011), "A solution business model: capabilities and management practices for integrated solutions", *Industrial Marketing Management*, Vol. 40 No. 5, pp. 699-711.

Storbacka, K., Ryals, L., Davies, I. A. and Nenonen, S. (2009), "The Changing Role of Sales: Viewing Sales as a Strategic, Cross-Functional Process", *European Journal of Marketing*. Vol. 43, No. 7–8, pp. 890–906.

Terho, H., Haas, A., Eggert, A., and Ulaga, W. (2012), "'It's almost like taking the sales out of selling'—towards a conceptualization of value-based selling in business markets", *Industrial Marketing Management*, Vol. 41, No. 1, pp. 174-185.

Töytäri, P., Brashear A. T., Parvinen, P., Ollila, I., and Rosendahl, N., (2011), "Bridging the theory to application gap in value-based selling", *Journal of Business and Industrial Marketing,* Vol. 26 No. 7, pp. 493-502.

Tuli, K. R., Kohli, A. K. and Bharadwaj, S. G. (2007), "Rethinking Customer Solutions: From Product Bundles to Relational Processes", *Journal of Marketing*, Vol. 71 No. 3, pp. 1–17.

Ulaga, W., and Reinartz, W. J. (2011), "Hybrid offerings: how manufacturing firms combine goods and services successfully", *Journal of Marketing*, Vol. 75 No. 6, pp. 5–23.

Ulaga, W. and Loveland, J. M., (2014, "Transitioning from product to service-led growth in manufacturing firms: Emergent challenges in selecting and managing the industrial", *Industrial Marketing Management*, Vol. 43, No. 1, pp. 113–125

Üstüner, T., and Godes, D. (2006), "Better sales networks", *Harvard Business Review*, Vol. 84, No. 7/8, pp. 102-112.

Van de Ven, A. H., and Johnson, P. E. (2006), "Knowledge for theory and practice"; *Academy of Management Review,* Vol. 31 No. 4, pp. 802–821.

Vandermerwe, S. and Rada, J. (1988), "Servitization of business: Adding value by adding services", *European Management Journal*, Vol. 6 No. 4, pp. 314–324.

Verbeke, W., Dietz, B. and Verwaal, E. (2011), "Drivers of sales performance: a contemporary meta-analysis. Have salespeople become knowledge brokers?", *Journal of the Academy of Marketing Science*, Vol. 39, pp. 407-428.

Visnjic, I. and Van Looy, B. (2013) "Servitization: disentangling the impact of service business model innovation on manufacturing firm performance", Journal of Operations Management, Vol. 31, pp. 169–180.

Weitz, B. A., and Bradford, K. D. (1999), "Personal selling and sales management: A relationship marketing perspective", *Journal of the Academy of Marketing Science*, Vol. 27 No. 2, pp. 241−254.

Williams, B. R. and Plouffe C. R. (2007), "Assessing the evolution of sales knowledge: A 20-year content analysis", *Industrial Marketing Management*, Vol. 36, pp. 408–419.

Yin, R. K. (2003). *Case study research: Design and methods*. Thousand Oaks, CA: Sage Publications.

Tables

Table 1. Categories of the sales function and related contemporary managerial issues and examples of research.

Category	Managerial issues discussed in the literature	Previous research (examples)
Organization of the sales function	• Focus on sales organization rather than sales person. • Increase cross-functional integration.	• Babakus et al., (1996) • Baldauf et al., (2001) • Piercy et al., (1997) • Dawes and Massey, (2005) • Oliva and Watson, (2011) • McDonough, (2000)
Roles in the sales function	• Identify new roles needed for sales. • Balancing product and service roles.	• Jong et al., (2014) • Ingram et al, (2002) • Ulaga and Loveland, (2014) • Storbacka et al., (2009) • Sheth and Sharma, (2008) • Ulaga amd Loveland, (2014)
Competences in the sales function	• Augment the competence profile. • Develop boundary-spanning competences.	• Terho et al., (2012). • Menguc et al., (2013). • Ulaga and Loveland, (2014) • De Ruyter et al., (2014) • Rangarajan et al., (2004) • Singh and Rhoads, (1991)

Table 2. The case firms.

Firm	Employees	Core product business	Typical basic services	Typical advanced services
A	1,500	Industrial gas	Maintenance; on-line tools, inspection	Automated supply; process optimization
B	8,000	Industrial equipment	Maintenance; customized ordering	Productivity improvements; process consultancy
C	40,000	Industrial equipment	Maintenance; training	Condition monitoring; process optimization

Table 3. The research process

Phase	Description
Phase 1: Focus group discussions	Focus group discussions with managers from all three participating firms.
Phase 2: Generation of theoretical framework	Generation of a multidimensional conceptual framework, a semi-structured interview guide and a specification of respondents.
Phase 3: Data collection and analysis	Interviews were conducted and within-case and cross-case analyses performed.
Phase 4: Validation and additional data collections	Validation focus groups and additional interviews were conducted.
Phase 5: Final analysis and validation	Final analysis and validation focus group.

Table 4. Roles in service selling

Role	Description
Vendor: Customer problem solver	Salesperson assists customer in solving problems and facilitating value creation
Vendor: Brand-value deliverer	Salesperson becomes a representative of the brand and adopts a more comprehensive role.
Customer: Problem specifier	Customer plays a more active role in formulating the problem (and therefore in finding the appropriate service).
Customer: Service user	Customer must be able to use the service correctly, to realize its full value potential.

Table 5. Classes of competences

Competence	Description
Customer focus	
Understanding business logic and additional value	Being able to understand the logic underpinning the customer's business and the means by which value is created within customer processes.
Visualizing	Being able to illustrate and demonstrate the intangible value of services to customers and convince them of that value.
Spanning	
Transferring	Being able to transfer, understand, structure and communicate needs and competences to and from the customer's organization.
Coordinating	Being able to coordinate multiple needs and competences in the vendor and customer organizations.
Internal (vendor) focus	
Team leading	Being able to lead a (diverse) team of people needed to meet (diverse) customer needs.
Coordinating	Being able to identify and coordinate the appropriate resources and service elements.

Table 6. Key managerial actions relating to the sales function.

Areas	Key managerial activities
Organization	• Sharing information with, involving, and establishing coordination with the service-delivery function. • Establishing formal processes and mechanisms to achieve that. • Initiating sales-education programs for service-deliverers. • Developing incentive systems that recognize the impact of services on the firm's performance and reward individuals for their contributions. • Freeing time for the selling of services. • Managing the balance (and possible competition) between product sales and service sales.
Roles	• Minimizing problems of change by initiating change management training for individuals. • Managing the new 'co-creation' role of the customer. • Broadening of roles into value-creation, brand-focus and teamwork via new formal description of roles and a general change of internal culture.
Competences	• Developing a specific service-selling competence set for salespeople. • Encouraging teamwork. • Acquiring new service-oriented resources. • Demonstrating how to visualize intangible value. • Ensuring adequate levels of knowledge about the services offered.

Author biographies:

Daniel Kindström - Daniel Kindström is Associate Professor of Industrial Marketing at Linköping University. His current research focuses on service selling, development of integrated offerings, especially the efficient deployment of those offerings, as well the value-creation potential of an increased service content in traditionally product-focused companies. He has published articles in such journals as *Journal of Business Research*, *Journal of Business & Industrial Marketing, Journal of Service Management* and *The Service Industries Journal*.

Christian Kowalkowski - Christian Kowalkowski is Assistant Professor of Marketing at the CERS — Centre for Relationship Marketing and Service Management at Hanken School of Economics in Helsinki, Finland. He also holds a part-time position as Associate Professor at Linköping University. His current research is concerned with service infusion in manufacturing firms, dynamics of value propositions, service innovation, and solutions marketing. He has published articles in such journals as *European Journal of Marketing, Industrial Marketing Management, Journal of Business Research*, *Journal of Business & Industrial Marketing,* and *Journal of Service Management* and *The Service Industries Journal*.

Thomas Brashear - Thomas Brashear Alejandro (Phd Georgia State University) is Associate Professor of Marketing at the University of Massachusetts Amherst.