STRATEGIC SALES PROCESS ADAPTATION

RELATIONSHIP ORIENTATION OF THE SALES PROCESS IN A BUSINESS-TO-BUSINESS CONTEXT

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Strategic Sales Process Adaptation: Relationship Orientation of the Sales Process in a Business-to-Business Context

Key words: strategic adaptation, sales process, personal selling and sales management, relationship management, business relationship setting.

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Paul Viio
Hanken School of Economics
Department of Marketing
P.O.Box 479, 00101 Helsinki, Finland
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Monte Carlo, 16th of September 2011

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1 INTRODUCTION

The paradigmatic shift from transaction orientation to relationship orientation and the resulting change of focus from products and exchange to service and relationships are well recognised in marketing (e.g. Grönroos 1979, 2006, 2008; Berry 1983; Vargo & Lusch 2004). In sales however, which can be considered as a sub-discipline of marketing, this development is not as apparent as in marketing. Considering sales as an extension, or operationalisation, of the marketing concept (cf. Comer 1991), and that it is the salespeople who are responsible for implementing their company’s sales and marketing strategies, points towards a discontinuity between the marketing approach and sales. The gap between the overall marketing message and sales becomes evident for example in situations when a selling firm - in its corporate presentation - states that they are relationship oriented and customer focused company, when in fact this approach is not practised by their sales force (Sharma 2010). As pointed out by Brennan and Turnbull (1996):

“To sell someone a standard item at a standard price, using standard sales procedures, delivering and invoicing according to standard terms and conditions, and then claim that you have a relationship with them is either sophistry or self-deception” (1996:30).

It is true that the significance of adopting a relational approach is widely recognised in marketing, sales and purchasing: in fact, there is strong consensus regarding the benefits and advantages that can result from adopting a relational approach. In order to benefit from the obvious advantages that relationship orientation can result in, marketers, sellers and purchasers have all shown interest in relationship thinking. In sales, themes such as value-based selling and relationship selling have emerged (e.g. Rackham & DeVincentis 1998; Cron & DeCarlo 2006). In purchasing, it is contended that supplier relationships are important (e.g. Gadde & Håkansson 1993; Cox 1996; Cousins & Spekman 2003); substantial additional value could be secured in buyer-supplier relationships through a stronger focus on the supply chain (e.g. Cox 1996), which for example has resulted in supplier-oriented purchasing behaviour (e.g. Dubinsky & Ingram 1982; Humphreys, Williams & Goebel 2008). Nevertheless, some relationship-inspired themes in sales, such as relationship selling, can arguably be seen as tactical features for securing the sales (cf. Comer 1991) rather than truly focusing on the buyer-seller relationship with the intention of achieving a ‘win-win’ situation. In other words, although this behaviour could be regarded as relationship oriented, it does not seem to be based on a relational mindset. Furthermore, when examining the disconnection between approach and implementation, in addition to being visible in how firms across industries operate, the linking of a firm’s sales strategy to the overall firm strategy, and to the buyer’s firm and purchasing strategies has received little attention in marketing and sales research (Sharma 2010).

In addition to the linking of strategies, matching of operations between the selling and buying firms should take place on all levels: firm, process, and person. In other words, instead of being restricted to certain level(s) in organisations, the adopted approach should permeate all levels in the organisation. Furthermore, when a selling firm adopts a relational approach, this implies adapting the firm’s processes and operations to match those of its customer. In fact, adaptation is one of the characteristic phenomena associated with relationships and relationship orientation (Hallén, Johansson & Seyed-Mohammed 1991; Gadde & Håkansson 1993; Brennan, Turnbull & Wilson 2003; Holma 2009).
The seller’s sales process and the buyer’s buying process jointly form the relationship initiation process (Aarikka-Stenroos & Halinen 2007). The sales and buying processes are extensions of the firms marketing approach - or they should be - and provide a formalisation of the activities and actions that the seller and buyer conduct during relationship initiation. Furthermore, the sales process not only constitutes the operationalisation of the firm approach, it additionally forms an important link between sales management and the salesperson, which is why the sales process deserves closer examination. In brief, a sales process does not have be, nor should it be, limited to being a selling process, which generally takes the form of a normative model that describes the work of salespersons. Additionally, forming part a of the relationship initiation process, the seller’s sales process should recognise the buyer’s buying process (e.g. Comer 1991).

In many cases, the customer may participate in the specification, design and production of the product, service or solution. However, companies focus considerably less on the customer and relationship when deciding how to go about selling to the customer. Instead, sellers often adopt a product or transaction focus; companies focus very little on the customer and relationship when planning and applying a sales process. To be more precise, companies focus little on matching their sales process to the buyer’s buying process when conducting sales. This is especially the case in small and medium-sized enterprises, in particular when selling to large customers in a market that is only emerging.

The need for relationship orientation of the selling process has been recognised in sales and marketing research (Moncrief & Marshall 2005; Sheth & Sharma 2008). Although this has resulted in the modification of the traditional selling process to make the selling process more relationship oriented (Moncrief & Marshall 2005), the focus is mainly on sales at the salesperson level: selling and sales work. In other words, the focus is largely on the actions rather than on the activities; and on the adaptation of sales work at the salesperson level, rather than an adaptation of the whole sales process to match the buying process. When operating in markets where there are a few large buyers, small and medium-sized sellers may have to customise their approach and adapt their sales processes to correspond to those of each buyer. In conclusion, in such situations it is pivotal for sellers to have a concept for adapting their sales processes.

In the context of this study, relationship orientation is regarded as the mindset and adaptation as forming the means for implementing relationship orientation. This thesis concerns the relationship orientation of the sales process through adaptation in a business-to-business context. It is a study of how the sales process can become relationship-oriented through strategically gearing it towards the customer’s buying process. In the context of this study, the term strategic refers to the level of perspective on sales and the sales process and analysis thereof. Furthermore, as will be demonstrated in this study, operationalising a value-focused approach involves adaptation and matching of the sales and buying processes between firms. This study also provides theoretical contributions and managerial implications for practitioners.

Although this research draws on research in sales and sales management, purchasing, and relationship marketing, it primarily takes the stand in sales and sales management and relationship marketing. The setting for this study is the telecommunications industry, from where the empirical data used for this study was collected. However, the implications provided as a result of this study may well be applicable to other settings.
1.1. **Background of the study**

Since the Second World War, marketing has become an all-encompassing concept (Jobber & Lancaster 2000), which includes a wide variety of areas such as relationship marketing and sales. Relationship marketing focuses on studying relationships, both business-to-consumer and business-to-business relationships. The vast majority of studies conducted in relationship marketing focus on existing relationships, whereas very little research has been conducted on relationship initiation and relationship ending (e.g. Edvardsson, Holmlund-Rytkönen & Strandvik 2008; Pedersen, von Raesfeld, Holmen, Roos, de Boer & Kallevåg 2005; Tähtinen 2001).

That relationship initiation has gained very little attention in relationship marketing research is perhaps not surprising, considering that this is the phase that, to a large extent, is constructed through sales, that is in turn guided by the sales process on which fairly little research from a relationship perspective has been conducted (Moncrief & Marshall 2005). Simultaneously, on the opposite side of the sales process during relationship initiation is the buying process (Aarikka-Stenroos & Halinen 2007), which like the sales process, has not been the subject of detailed research from a relational perspective. Analogous to how sales is guided by the sales process (e.g. Dubinsky 1980/81), buying is guided by the buying process (e.g. Robinson, Farris & Wind 1967; Webster & Wind 1972). Furthermore, the sales and buying processes are "mirror-images of the same marketing event" (Comer 1991:477). Although Comer was adopting a transactional view when pointing this out, this is likely to also apply when adopting a relational view. While the focus of the selling process in sales and sales management has traditionally been on transactional selling, along with the paradigmatic shift in marketing (Vargo & Lusch 2004; Grönroos 2006, 2008) from goods oriented marketing towards relationship marketing (Berry 1983; Gummesson 1987; Grönroos 1989) and service marketing (Grönroos 1990; Berry 1995), the paradigm in sales has shifted to stronger focus on relationship selling (Long, Tellefsen & Lichtenthal 2007). Despite presenting sales as a process (Cash & Crissy 1964) early sales research did not develop the relationship between the buyer and seller further, but instead treated the buyer's role as passive. In contrast, focusing on adaptation of the selling process on an individual level, Spiro, Perreault Jr. and Reynolds (1977) describe that both the salesman and the buyer actively influence the sales process. However, whereas relationship orientation in marketing in general refers to developing long-term buyer-seller relationships, in relationship selling and adaptive selling 'relationship orientation' is often used in ways resembling short-term sales tactics, rather than an approach, and the focus is primarily limited to 'closing the deal' (cf. Comer 1991). In order to facilitate and improve relationship initiation between the seller and buyer, while simultaneously aiming at increasing sales performance, an understanding of both the sales and buying processes is pivotal (Rackham & Devincetis 1998). As it is the buying and selling processes that guide the buyer and seller's actions during relationship initiation, instead of being considered an art that cannot be directed (Mondul 2004), selling should be considered a process (Spiro et al. 1977).

The profession of selling has a long and colourful history that dates back to the ancient world, gained prominence in the early 20th century, and continues to evolve as we have entered the 21st century (cf. Moncrief & Marshall 2005). Despite that sales and selling have a substantial history that has played an important role in the transformation and development of the modern world (Powers, Martin, Rushing & Daniels 1987), it remains a relatively unexplored area in scientific research. Furthermore, "nearly all research in the sales area is concentrated on selection, motivation, compensation, and, to a limited extent, sales organisations" (Sheth & Sharma 2008:261). It is surprising
how little scientific research has been conducted on sales, especially with reference to
the sales process, considering it is the process that guides the seller during relationship
initiation with the buyer. Despite the fact that little research in this area has been
conducted; the need for relationship orientation of the sales process has been
recognised in sales literature (e.g. Rackham & DeVincentis 1998; Moncrief & Marshall
2005; Sheth & Sharma 2008).

Traditionally, the role of purchasing has been considered as acquisition and
management of a firm’s inputs (such as raw materials, components, modules or
services) into an organisation (Webster & Wind 1972; Baily & Farmer 1981, 1982; Burt
& Soukup 1985; Farmer 1985; Dobler & Burt 1996). This traditional view of purchasing
is evolving into a view where purchasing is regarded having a strategic value for the
firm’s success (Kraljic 1983; Axelsson & Håkansson 1984; Farmer 1985; Axelsson 1998;
Gadde & Håkansson 2001; Axelsson & Wynstra 2002; Cousins & Spekman 2003).
Having changed from being considered a clerical and administrative function into a
strategic function, purchasing as a concept has changed considerably over the years
(e.g. Gadde & Håkansson 2001; Axelsson and Wynstra 2002; Cousins & Spekman 2003;
Ketchen & Hult 2007). Moreover, since the costs of purchases account for the
dominant part of the total costs for most companies, purchasing as a function is
expected to increasingly gain strategic weight in companies (Gadde & Håkansson
2001). Although purchasing has become increasingly important and the value of long-
term supplier relationships has been recognised in companies, a relational focus in the
buying process has not yet become visible. In other words, there is a need to develop a

Although it may be the buyer who invites the seller to participate in relationship
initiation (Liang & Parkhe 1997; Ellis 2000; Overby & Servais 2005; Agndal 2006), it is
usually the seller who has to accommodate the buyer (Edvardsson et al. 2008). Hence,
despite understanding the value that relational sales enables, the seller is left with the
challenge of how to operationalise sales relationship orientation in a way that
permeates all levels of the company.

1.2. Purpose of the study

The purpose of this study is to develop a framework for strategic adaptation of the
seller’s sales process in order to match the buyer’s buying process in a business-to-
business context.

Although focussing on the relationship orientation of the sales process through
adaptation during the relationship initiation phase, passing through the relationship
initiation phase does not automatically result in a relational relationship, but can lead
to a relational or non-relational business engagement between the seller and buyer.
Both the seller and the buyer are included in the level of analysis. However, the selected
perspective in this study is that of the seller, and the level being focussed on is that of
the sales process. The context for the purpose (of this study) is relationship initiation
between businesses.

The aim of this study is not to test an existing theory, or to create a new theory, but
rather to propose and to develop (Dubois & Gadde 2002) a framework for relationship
orientation of the sales process through adaptation. In order to achieve the aim of this
study, a review of relationship marketing, sales and sales management, and buying
literature is conducted. After the literature review, in order to arrive at a more profound
understanding of how strategic adaptation of the sales process could be developed, empirical data that was gathered is analysed. The development of a framework for strategic adaptation of the sales process in a business-to-business context is conducted through findings from literature review and empirical data.

1.3. Positioning of the study

This study aims to contribute to two gaps in present research: first, how relationship orientation through adaptation can be extended from relationship marketing to sales on process level; second, how adaptation can be extended from salesperson level to strategic adaptation on a sales process level that guides sales work in all levels of an organisation.

Drawing from the areas of relationship marketing, sales and sales management, and purchasing research, this study is primarily conducted in the areas of relationship marketing and sales and sales management. Leaning on research in relationship marketing regarding relationship initiation, sales and sales management regarding selling and the sales process, as well as buying, purchasing and supply chain management regarding the buying process, this research focuses on the development of relationship orientation of the sales process through adaptation primarily for the sales organisation.

1.4. Scope and delimitation

This study focuses on relationship orientation of the sales process during the relationship initiation phase, leading to developing a framework for strategic adaptation of the sales process in business context.

The relationship dimension can be divided into following three statuses: relationship initiation, established relationship and relationship ending. The status of the relationship dimension that this study focuses on is relationship initiation (Edvardsson et al. 2008). The scope of established relationships and relationship ending are not included in this study.

Framework as used in this study refers to a conceptual and strategic framework that links sales and buying during relationship initiation on a process level. Linking aspects of sales and purchasing dynamically, the presented framework proposes strategic alternatives and directions for sales process adaptation.

Relationship orientation as used in this study is a mindset that refers to leaning towards business engagement through adaptation of business processes, aiming at a long-term business relationship between the seller and the buyer. In general, mutual profitability is a pre-requisite for a long-term business relationship. Hence, although this study does not focus on buyer-seller relationship profitability, the importance of profitability cannot be overlooked. Based on a relational mindset, relationship orientation of the sales process involves linking (seller’s) sales to (buyer’s) buying and gearing the (seller’s) sales process to the (buyer’s) buying process through adaptation. The opposite to relationship orientation of the sales process would be a non-relationship-oriented sales process that that is not geared to the customer’s buying process. Most traditional sales process models fall under the latter category of sales
processes. In other words, relationship orientation is a mindset that is based on relationships that are implemented through adaptation.

The context for this study that focuses on adaptation of the sales process during the relationship initiation stage is ‘business-to-business’, i.e. between two firms: the seller and the buyer. In other words, the business-to-consumer context is not included in this study. However, although the context for this study is business-to-business, this does not rule out that the findings could be applicable in other contexts.

Sales as understood in this study refers to the set of activities and events primarily conducted by the seller’s sales force during relationship initiation, aiming at business engagement with the prospective buyer. In other words, sales refers to the combined activities of selling in a business-to-business context that is conducted during the relationship initiation stage, prior to sales closure. Furthermore, selling specifically refers to the concrete action of conducting sales. In the context of this study, sales occurs in situations that buyers refer to as a ‘new buy’ (Robinson et al. 1967). In contrast, key account management or KAM (Diller 1989; Millman 1994; Millman & Wilson 1994; McDonald, Millman & Rogers 1996; Ojasalo 2001), National Account Management (NAM) (Stevenson & Page 1979), and Strategic Account Management (SMA) (Storbacka, Sivula & Kaario 1999), generally refers to a selling “approach adopted by selling companies aimed at building a portfolio of loyal key accounts” (McDonald, Millman & Rogers 1997:737) in a business-to-business context (cf. Ojasalo 2002) and usually occurs in situations that in buyer terminology are referred to as ‘straight rebuy’ or ‘modified rebuy’ (Robinson et al. 1967). In other words, (key) account management in general refers to the seller managing already signed customer accounts and developing these customer relationships (McDonald et al. 1997). Thus, account management and key account management are outside the scope of this study and are not included in the concept of sales as referred to in this study. Furthermore, in this study, selling focuses on personal selling, as opposed to other types of selling (such as automated selling), which can be defined as:

“Direct communications between paid representatives and prospects that lead to transactions, customer satisfaction, account development, and profitable relationships” (Cron & DeCarlo 2006:2).

In the context of this study, ‘personal selling’ refers to a certain form of selling that is conducted by salespersons (cf. e.g. Spiro et al. 1977), as opposed to e.g. automated selling, which refers to selling that does not include personal interaction between the seller and buyer.

Moreover, in this study selling primarily refers to ‘consultative selling’, as opposed to e.g. transactional selling. Consultative selling began in the late fifties and early sixties due to increasing complexity of buying needs and sophistication of buyers (Newton 1970; Dunn, Thomas & Lubowski 1981), and where the seller may need to educate the buyer on the advantages and benefits of the proposed solution offering (Rackham & DeVincentis 1998). Consultative selling is a common selling approach when selling innovative or complex solutions or when adaptation of the solution (e.g. to the buyer’s business, needs and requirements) is required (Dunn et al. 1981; Rackham & DeVincentis 1998). In contrast, ‘transactional selling’, is often applied when selling standardised goods and solutions in established markets (Rackham & DeVincentis 1998). Furthermore, ‘enterprise sales’ may primarily be appropriate for very large and strategic business-to-business sales where the value of the co-operation is not created on service or product level, rather across functions of the involved enterprises (ibid.).
However, transactional and enterprise selling approaches are not the primary focus of this study.

This study focuses on the sales and buying processes and the level of sales and buying relevant to these during relationship initiation. These processes are systems of elements containing series of actions or steps conducted by the seller or buyer. The process that systematises the seller’s actions and steps is generally referred to as the sales or selling process, whereas the process that systematises the buyer’s actions is referred to as the buying process. It should be noted however, that rather than focusing on the actions conducted during the sales and buying processes per se or the salesperson, selling team, buyer (individual level), buying team (Deeter-Schmelz & Ramsey 1995), or buying centre (Robinson, Farris & Wind 1967; Webster & Wind 1972; LaForge & Stone 1989; Johnston & Bonoma 1981), this study focuses on the processes and in particular the adaptation of these processes. Nevertheless, since the processes are systematisations of (and thus consist of) the actions conducted on various levels by the seller and buyer, these actions are of course not overlooked; rather they are considered as being embedded in the processes.

In the empirical part of this study both the adaptation of the sales and buying processes of a seller belonging to the category of small and medium-sized enterprises (SMEs) and a large enterprise buyer during relationship initiation were studied. The solution that the seller was offering the buyer was highly innovative and in order to function and to enable the planned service for the buyer’s customers, a certain technological ecosystem for the buyer was required. In other words, this was a prime example of complex solution selling. The market for the service that the solution enabled the buyer to provide to its customers was at the time of the relationship initiation only just emerging, which called for a consultative selling approach (Rackham & DeVincentis 1998). Despite the fact that the focus on the type of sales and selling was primarily complex solution selling and consultative selling, many of the findings could be extrapolated to personal selling in general.

1.5. Justifications for the study and general contributions

Based on findings both from scientific and managerial sales literature and through personal experience from having participated in relationship initiation between sellers and buyers, there appears to be a need for rethinking the sales process and developing it to become (more) relationship oriented. The sales and buying processes should be ‘mirror-images’ of the same event (Comer 1991). Existing sales process models in general are not linked to the buying process, nor do they adopt a relationship-oriented view of sales. Adopting a relationship approach should permeate all levels of selling, including the process level. The need for developing the sales process to become more relationship-oriented has been recognised in sales and marketing literature (e.g. Moncrief & Marshall 2005; Sheth & Sharma 2008).

By proposing a framework for relationship orientation through strategic adaptation of the sales process, this study contributes to the understanding of relationship initiation between the seller and the buyer in a business-to-business context and to the development of the sales process.

Until now, the sales process has predominantly been regarded as a process that mainly describes how the salesperson conducts his or her sales work (Spiro et al. 1977; Dubinsky 1980/1981; Spiro & Weitz 1990). If lacking in flexibility and the ability to
adapt, sales processes are difficult to alter in a way that would accommodate the seller and the buyer in various situations. A sales process should not hinder the sales organisation from conducting sales work, since if it does, that will either jeopardise the success of the sales work or the process will simply not be followed. In other words, the sales process as it is known today offers neither support nor guidance to the sales organisation nor the flexibility that is required in order to adjust to new situations.

This study provides theoretical contributions, plus managerial and practical implications, which partly transform into environmental implications. Theoretical contributions include extending traditional sales and purchasing processes to a more holistic view on the sales-buying process during relationship initiation. Through findings from literature and empirical data, a framework for strategic sales process adaptation emerges. Furthermore, the view on adaptive selling and personal selling processes are elevated from individual level to process and sales force level. Managerial and practical implications provided include extending adaptation from salesperson to sales process and sales force level, and facilitating a wider view on selling and buying during relationship initiation by taking the buyer’s buying process into consideration within the sales process. Additionally, directions for how adaptation and adaptiveness of the sales process can be increased are pointed out. The presented implications intend to facilitate resource allocation, enhance the (future) relationship with the buyer, and improve efficiency throughout the sales process. The proposed approach should not only shorten the sales cycle, but may also facilitate the seller to serve a larger amount of buyers simultaneously, i.e. contributing to relationship initiation with multiple buyers. Implications for the buyer could include more efficient resource allocation and improving the future relationship with the seller. Moreover, improvements in resource allocation, planning and higher efficiency in sales and buying may render positive implications and effects for the environment.

1.6. Key terminology and concepts

Key terminology and concepts that are used in this study are defined as presented in Table 1.

<table>
<thead>
<tr>
<th>Concept</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship</td>
<td>A relationship between the seller and the buyer in a business-to-business</td>
</tr>
<tr>
<td></td>
<td>context involving a direct business engagement between the parties.</td>
</tr>
<tr>
<td></td>
<td>A relationship begins when the seller and the buyer agree on a business</td>
</tr>
<tr>
<td></td>
<td>contract and ends when the mutual business engagement expires or is</td>
</tr>
<tr>
<td></td>
<td>discontinued.</td>
</tr>
<tr>
<td>Relationship</td>
<td>Leaning towards business engagement through adaptation of business processes</td>
</tr>
<tr>
<td>orientation</td>
<td>aiming at a long-term and mutually profitable business relationship between</td>
</tr>
<tr>
<td></td>
<td>the buyer and the seller.</td>
</tr>
<tr>
<td>Adaptation</td>
<td>Adjustments at business process level by one or both parties aiming at</td>
</tr>
<tr>
<td></td>
<td>initiating business engagement between the buyer and the seller.</td>
</tr>
<tr>
<td>Relationship</td>
<td>Business initiation that can lead to relational or non-relational business</td>
</tr>
<tr>
<td>initiation</td>
<td>engagement.</td>
</tr>
</tbody>
</table>
Relationship initiation starts when the seller or the buyer commences the process of pursuing business engagement (initiating business) and optimally ends when a business agreement is reached, or when one or both parties withdraw from pursuing mutual business engagement.

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business engagement</td>
<td>Business engagement involves that the seller acts as supplier to the buyer and that the buyer buys from the seller.</td>
</tr>
<tr>
<td>Relational business engagement</td>
<td>Relational business engagement refers to a business engagement that involves a relationship including attitudinal components such as trust, commitment and value-creation between the seller and the buyer.</td>
</tr>
<tr>
<td>Non-relational business engagement</td>
<td>Non-relational business engagement refers to business engagement that does not involve a relationship with attitudinal components, but rather a transaction or continuous transactions between the seller and the buyer.</td>
</tr>
<tr>
<td>Sales</td>
<td>Set of activities and events primarily conducted by the seller’s sales force during relationship initiation aiming at business engagement with the prospective buyer.</td>
</tr>
<tr>
<td>Selling</td>
<td>Sales work or actions by salesperson(s) for conducting sales.</td>
</tr>
<tr>
<td>Sales process</td>
<td>A system of elements containing a series of actions or steps primarily conducted by the seller aiming at business engagement between the buyer and seller.</td>
</tr>
<tr>
<td>Relationship-oriented sales process</td>
<td>Relationship orientation of the sales process which involves gearing/adjusting and adapting sales and the sales process towards buying and the buying process.</td>
</tr>
<tr>
<td>Purchasing or buying</td>
<td>The activities and events that commence with the identification of a need and end with the signing of a contract for the acquisition of external resources for a company that are central to providing a core service to its customers.</td>
</tr>
<tr>
<td>Buying process</td>
<td>A system of elements containing series of actions or steps primarily conducted by the buyer in a certain manner in order to fulfil a business need through business engagement.</td>
</tr>
<tr>
<td>Relationship-oriented buying process</td>
<td>Relationship orientation of the buying process which involves gearing/adjusting and adapting buying and the buying process towards sales and the sales process, or enabling/facilitating the relationship orientation of sales and the sales process.</td>
</tr>
</tbody>
</table>

Each of these key terms is discussed in chapter 2, which forms the literature review of this study.
1.7. Research approach

The research approach describes the general philosophical position that illustrates the researcher’s view of the world. When considering which approach to select, there is no accepted standard approach, there are only more or less suitable ones (Patton 2002; Saunders, Lewis & Thornhill 2007). However, since each scientific study is based on the scientific assumptions made by the researcher, it is widely recommended that researchers state the underlying assumptions of their work (Miles & Huberman 1994; Silverman 2005; Eriksson & Kovalainen 2008). Conceptualisations are representations of the real world, and the researcher’s worldview should guide how research is conducted (Remenyi, Williams, Money and Schwartz 1998).

Although research can be divided into being qualitative and quantitative, too sharp a distinction between the two should not be drawn (Silverman 2005). Qualitative research can refer to different things and can involve a wide range of methods. The choice between quantitative and qualitative research depends on the research problem that the researcher is studying (Silverman 2005, 2006). For my research, I have selected a qualitative approach and the method that I apply is case study research. The case that is studied in detail is the phase of relationship initiation between a seller and buyer. It can be argued that an alternative to the selected approach could have been to collect empirical data through quantitative methods, e.g. through a survey. However, the intention was not to conduct hypothesis or theory testing, but was rather seeking to create understanding and to develop the concept of relationship orientation of the sales process. Thus choosing a qualitative approach is more appropriate (cf. Gummesson 2000). The methodology and case study will be discussed further in section 3.

Next, I present my research approach for conducting this study. First, I will describe my scientific philosophy. Secondly, I will present my logic of reasoning, and thirdly, I will provide a description of the research process.

1.7.1. Scientific philosophy

Ontology is the philosophical study of the nature of being, existence or reality in general. It deals with the ideas about the existence of and relationship between people, society and the world in general. Ontological assumptions embrace all theories and methodological positions (Eriksson & Kovalainen 2008). Central questions of ontology include: what can be said to exist; and into what categories, if any, can we sort what exists. Social scientists for example are faced with an ontological question: whether the ‘reality’ is external to the individual, i.e. objective, or if it is the product of individual consciousness, i.e. subjective (Burrell & Morgan 1979). In contrast to qualitative research that is often based on the ontological assumption that reality is subjective, quantitative research often assumes that the social world exists as objective reality. Whereas objectivism takes the position that social entities exist in reality external to the social actors concerned with their existence, the subjectivist view is that social phenomena are created from the perceptions and consequent actions of social actors (Saunders et al. 2007).

The researcher consciously and subconsciously makes subjective choices on various levels during all phases of the research project (Walkerdine, Lucey & Melody in May 2002), a viewpoint that has been taken into account during this study. With regards to dividing my ontological position into objective and subjective, my position lies more towards the subjective. However, with regards to describing my attempts to construct,
blindly subscribing to subjectivism would not do full justice to the content of my research. Hence, instead of adopting a strict view on subjectivism, I prefer interpretivism: a subjectivist position that views reality as being socially constructed. Additionally, interpretivism conveys the notion of that reality is based on interpretation, which again depends on the interpreter(s).

Epistemology, or theory of knowledge, is the branch of philosophy that focuses on the nature and scope of knowledge. Epistemology is the study of criteria by which we can identify scientific knowledge (Johnson & Duberley 2000). Not only in science, but in any discipline, profession, occupation or everyday life where knowledge claims are made, epistemology contributes by clarifying the conditions and limitations of what is regarded as justified knowledge (Johnson & Duberley 2000). Principal questions of epistemology are: “What is knowledge, how is knowledge acquired and how do we know what we know?” (Burrell & Morgan 1979:1; Eriksson & Kovalainen 2008:14).

According to my worldview knowledge is socially constructed, the sources of knowledge are social actors and the interaction between them, and the mind forms the boundaries of knowledge. Constructionism departs from the notion that knowledge is (socially) constructed, and that it is people who create society (Berger & Luckmann 1967 in Westwood and Clegg 2003:122).

In hermeneutics, the central question is: “What are the conditions under which a human act took place or a product was produced that make it possible to interpret its meanings?” (Patton 2002:113). Hermeneutics provides a framework for interpretive understanding, or meaning. In hermeneutics, special attention is paid to context and original purpose, and it is often used for interpreting stories, legends or texts. In other words, when seeking to arrive at an interpretation (of the ‘truth’) regarding the meaning of adaptation of the sales process during relationship initiation, hermeneutics could be appropriate. In my study, however, instead of hermeneutics representing the epistemological view, it rather represents the methodological view and is adopted in data analysis.

The principal questions in social constructionism and constructivism are:

“How have the people in this setting constructed reality? What are their reported perceptions, ‘truths’, explanations, beliefs, and worldview? What are the consequences of their constructions for their behaviors and for those with whom they interact?” (Patton 2002:96).

In constructivism, knowledge of the world is not derived from the nature of the world as it really is, but rather through social interactions between people (Burr 1995:4). Additionally, Shadish (1995) reminds us of that social constructionism “refers to constructing knowledge about reality, not constructing reality itself” (Shadish 1995:67). Hence, the constructivist view enables me to study how salespersons and purchasers have constructed the reality of the processes during relationship initiation in a certain context. Moreover, it enables me to study the occurrence of relationship initiation based on reported views, explanations and beliefs. Because the constructivist viewpoint is “built on the thesis of ontological relativity” (Patton 2002:96-97), which is close to my notion of ontological interpretivism, social construction or constructivist philosophy fits well with my epistemological view.

To try to consider which of the philosophical positions is ‘better’ could easily lead one astray. These positions are simply ‘better’ at doing different things. Hence, which position is ‘better’ depends on the research question(s) that the researcher is seeking to answer. As pointed out by Saunders et al. (2007:3), in practice, research rarely falls
neatly into only one philosophical domain. As a matter of fact, quite often business and management research adopts a view that is a mixture of philosophical positions (Saunders et al. 2007:18). My study focuses on strategic adaptation of the sales process during relationship initiation between social actors, rather than on the actors or the interaction between the actors per se. As my aim is to develop a framework, the focus lies in understanding and developing, which makes my study constructive in nature. Furthermore, the aim of my study is to develop, rather than to create a theory (Dubois & Gadde 2002). In my study I aim to unlock the informants’ views and interpretations of situations and processes related to buying and selling. The knowledge generated is the result of the communication process between the researcher (i.e. myself) and the informants and hence, is interpretive. Considering this, the epistemological view that comes closest to my view is social constructionism.

1.7.2. Logic of reasoning

In scientific research there should be a match between the scientific approach that is adopted, the aim of the study, and the applied methodology. Scientific inquiry or logic of reasoning is concerned with how to bring forward knowledge (Eriksson & Kovalainen 2008). The logic of reasoning that I have chosen to follow is systematic combining or abduction (Coffey & Atkinson 1996; Dubois & Gadde 2002; Kovács & Spens 2005, 2007).

In social science research two basic types of logical reasoning are adopted: deductive and inductive. The key difference between deductive and inductive reasoning lies in their starting points (Gummesson 2000). Deductive research begins with existing theories and concepts, and formulates hypothesis that are then tested. In other words, the foundation for the new theory building consists of theories that already exist. Inductive research starts with empirical observations, or ‘real-world’ data, and categories, concepts, patterns and models from which new theories may emerge (Gummesson 2000). In practice, only the starting point separates deductive and inductive research. After the initial stages of the research, all research becomes iteration between deductive and inductive reasoning (Gummesson 2000). This iteration is often referred to as ‘abductive reasoning’ or ‘systematic combining’ (Coffey & Atkinson 1996:155-f; Dubois & Gadde 2002:555). As pointed out by Gummesson (2000:64), abductive reasoning should not be mistaken for a third type of approach. Dubois and Gadde (2002:555) use the term ‘abductive approach’ and describe this as ‘systematic combining’, where the researcher goes between one type of research activity and another and between empirical observations and theory. Additionally, within a paradigm, the researcher often switches between, not only ontological, but also epistemological positions. In other words, the framework, collection of empirical data, and the analysis of the data are interwoven and evolve simultaneously.

1.7.3. Research paradigm

In order to provide a visualisation of my research paradigm, I draw from the research ‘onion’ (Saunders et al. 2007:102). I have added one layer to the ‘onion’ diagram and call this outer layer the ontological view, as illustrated in Figure 1. The next level is called ‘epistemologic philosophies’. I have marked all changes in text to the original ‘onion’ by writing the added text in italics. Since the aim of this sub-section is primarily devoted to discussing scientific philosophy and to clarifying the ontological, epistemological and methodological positioning of my thesis, I have marked these
levels or ‘layers’ of the onion in a light grey colour. However, in order to provide a more complete picture of my argument and positioning, I have also commented on the inner layers of the ‘onion’. My research paradigm and approaches with regards to the different layers are marked with ovals, except for the innermost layer, for which I use a text box, (cf. Figure 1). The dotted ovals refer to that I draw from these concepts, and the dotted arrows show the directions that I chose to take.

My ontological view draws from subjectivism, and is interpretivistic. With regards to epistemology, this research lies closest to constructionism. As for my methodological view, in a broad sense, I have adopted a qualitative approach and, in a more narrow sense, a case study approach. The aspect of inquiry or logic that I follow is that of abduction. In order to collect data from the case that I have studied I adopt a mono-methodical approach of semi-structured interviews. The chosen time horizon is cross-sectional in the sense that a long-term process was studied through the means of a ‘snapshot’. Techniques and procedures used for analysing data and for understanding ‘what is going on’ (Wolcott 1994) include triangulation of data; i.e. taking responses provided by both the seller and buyer into consideration when drawing conclusions.

1.7.4. Research process

An abductive approach is well justified for a study where the focus is to develop rather than test a theory (Dubois & Gadde 2002). Thus, this study can be considered to be abductive and includes switching between research activities, empirical observations and theory (Coffey & Atkinson 1996; Gummesson 2000; Dubois & Gadde 2002). During this iteration, which is central for the hermeneutic research cycle that was pursued, the framework, collection of the empirical data and data analysis were allowed...
to influence each other. In other words, this study was conducted in a non-linear, rather than linear fashion. For improved clarity, however, instead of describing the actual path of the research process, this written report follows a traditional structure: beginning with the theoretical section; continuing with the empirical section; and ending with conclusions.

Although the research process did not follow a set of planned steps, I attempt to illustrate the research process in Figure 2, which is structured in five layers: 1) preunderstanding, 2) broadening of preunderstanding, 3) research themes, 4) theory development, and 5) results. The thickness of the layers aims to roughly illustrate the resources (time and effort) that were spent on each layer. Moreover, empirical and theoretical settings interact between these layers. The size of the pentagons with dotted lines illustrates the prominence that the empirical and theoretical settings received during the five stages. The arrowheads of the pentagons point towards the primary direction in which the study progressed. This does not mean however, that this progression would have been a straightforward process, to the contrary. The circular arrows in the figure illustrate the hermeneutic circle: the interplay and back-and-forth movements that took place between the five layers and the empirical and theoretical settings.

Figure 2  Research process

The figure above not only shows the approximate steps that I followed, but also the interplay and movements between theory and the empirical setting. The empirical and theoretical settings progressed simultaneously and were influenced by my preunderstanding. My preunderstanding became broadened through the empirical and theoretical settings, during which I gained more in-depth knowledge regarding the
topic and challenges related to relationship orientation of the sales process. During the broadening of my preunderstanding I also widened my literature review from a narrow process focus to include adaptation as portrayed in relationship marketing and sales. Furthermore, I broadened my literature review to include purchasing. This broadening helped me to refocus, which resulted in my concentrating on specific themes in my empirical research: understanding of the sales process, adaptation of the sales process and combination of the sales and buying processes, or integrating these processes into a single process. The case study research focuses on these topics or themes, and the literature review was continued in parallel. The case study, for which empirical data were collected through semi-structured interviews, was analysed and interpreted, which resulted in key findings. The outcome of the empirical data and theory that were studied has resulted in a framework for strategic sales process adaptation.

Tentative research questions were designed prior to engaging with data collection, which mostly focused on the sales process. In order to capture the spirit of relationship orientation however, I considered it important, even necessary, to include purchasing process topics in the questions. When familiarising myself more with theories in relationship marketing, sales, and purchasing, I decided to give the sales and buying processes equal prominence within the empirical section of the study and data gathering through in-depth interviews. Additionally, I decided to take a triangulation approach in data gathering through asking all informants – regardless if a seller or buyer – both sales- and buying-process-related questions. This resulted in large amounts of data per informant.

Data collection and deskwork progressed simultaneously, as recommended by Wolcott (1994). This fosters understanding that arises from the interplay between theory and findings through empirical data. Additionally, this interplay can also contribute to discovering the need to refocus or adjust the framework. As mentioned earlier, the interplay between empirical data and theory is a key element of the abductive research approach.

Building theory from case studies is an ongoing process that requires reflection and the questioning of findings. This not only includes questioning the findings that one arrives at through analysis and interpretation, rather it also includes finding alternative explanations and comparing new findings with those produced during previous iterations. At first, I kept count of the iterations. Analysing the empirical data resulted in more in-depth knowledge, and once the knowledge became more comprehensive, this reduced the need to complete full iterations. This resulted in difficulties in keeping track of the number of iterations, which is why it is not possible to state how many full iteration cycles that were completed during this study.

During this study, some challenges were faced. When commencing this study, my main area of interest was the sales process, and how it could become more relationship-oriented. At that stage, my aim was to develop a sales process that would capture and include the relationship approach as its core idea. This could have resulted in a relationship-oriented selling process model similar to the evolved selling process by Moncrief and Marshall (2005). However, while broadening my preunderstanding, I discovered the importance of adaptation in relationship orientation. This resulted in a closer focus on adaptation of the sales and buying processes during relationship initiation. Moreover, I discovered that I was in fact focusing not so much on the selling process, but rather on the sales process from a strategic perspective. Stated otherwise, my main concern was not how the salespersons could adapt his/her selling process, but rather how the sales process (from a managerial perspective) could be adapted to the
buyer’s buying process. Instead of focusing on the behavioural aspects of the salesperson, this began to involve the aspect of mindset (that guides behaviour). Thus, the study required partial redesign and considerable modifications during its course.

In an attempt to allow the reader to form his/her own opinion and arrive at conclusions (Wolcott 1994), I not only report the findings, but also provide excerpts of responses by the informants. For some readers, the amount of excerpts may at first seem overwhelming. However, this careful description and analysis of the empirical data and interpretations thereof in chapter 4 has resulted in the framework for strategic sales process adaptation, which is presented in section 4.4.

Instead of attempting to structure this report in a way that corresponds to my actual progress, I decided adopt a more reader-friendly approach and for this reason I have structured it in a more traditional format, separating the theory review and the empirical sections of the study.

1.8. Structure of the report

In this section, the structure of this report is explained. Additionally, a brief description of the chapters, main sections and their aims is also provided.

Chapter 1 forms the introduction to the thesis. It discusses the importance of relationship orientation and its operationalisation. Relationship orientation is regarded as a mindset that should permeate the whole organisation, thereby encompassing sales and the sales process. Furthermore, the background of this study is presented and discussed. In brief, relationship initiation is proposed as being the outcome of the sales and buying processes. Since it is usually the seller that is more active during relationship initiation, the sales process is given prominence in this study. My aim was to explain why it is important to study relationship orientation of the sales process, and how adaptation could form a way of extending relationship orientation from a personal level to process level. Additionally, the aim includes underlining the importance of using a sales process and matching it to the buying process during relationship initiation.

Additionally, the purpose of the study was presented in Chapter 1. The gaps that this research contributes to were revealed and the positioning of this study within marketing and sales was presented. Moreover, the scope, delimitations, and justifications for the study and its general contributions were discussed. Key terminology and concepts used in this study were also presented. Finally, the research approach, including scientific philosophy, research paradigm, logic of reasoning, and research process, were discussed.

The remaining part of the report is structured as follows: theoretical framework (Chapter 2), methodology (Chapter 3), empirical analysis (Chapter 4), and concluding discussion (Chapter 5). As mentioned previously, the study presented in this report adopts the approach of systematic combining. This involves moving back and forth between the conceptual and empirical world, which happened continuously and in a non-linear fashion. However, this report follows a traditional format, commencing with a literature review, continuing with methodological considerations, followed by reporting the empirical research.
Chapter 2 presents and explains the theoretical foundations of the study. The chapter starts with a discussion of the relationship initiation phase of business engagement (section 2.1). The aim is to link the sales process to, and show that it is an integral part of the relationship initiation process. In section 2.2, adaptation during relationship initiation, relationship orientation and adaptation (as presented in marketing, sales, and purchasing) are examined. The section concludes with the defining of adaptation in a sales process setting. The aim is to show that adaptation is a key element of relationship orientation and to present various levels at which adaptation is conducted. In other words, adaptation is presented as forming the strategy and means for operationalisation of the relationship orientation mindset.

Section 2.3 focuses on sales, selling and the sales process. In this section, developments of the sales function, conceptualisation of sales and selling, and transactional and relational selling are presented and discussed. Furthermore, the evolution of the sales process is presented and the role of the sales process is discussed. After defining the sales process as it is viewed in this study, the relationship orientation of the sales process is discussed. The aim is to underline the importance of the sales process, and to show that there is a need for relationship orientation of the process.

Section 2.4 covers purchasing and the buying process, and to a large extent follows the structure of the previous section. In this section, developments in purchasing, relationship-orientation in purchasing, and developments of the buying process are explained. The section concludes with a discussion of relationship orientation of the buying process. The aim is, analogously to the previous section, to show the importance of the buying process and to underline the need for the relationship orientation of the buying process.

The chapter concludes by summarising how relationship orientation could be operationalised through adaptation, and how adaptation of the sales and buying process could contribute to a more effective and efficient interaction between the seller and buyer during relationship initiation. Moreover, research themes (primarily based on the literature review) that should be explored more in detail are presented: understanding of the sales process; adaptation of the sales process; and the combination of the sales and buying processes, i.e. integration of the processes.

Chapter 3 describes methodology and data analysis, starting with a description of the case study approach and my understanding (section 3.1). Next, in section 3.2, covering case description and selection of informants, it is explained how the cases were selected, and the case companies and selection of informants are briefly described. In section 3.3, the interview process is described in detail. Finally, in section 3.4, data analysis, the coding and categorisation of the data, data analysis and interpretation, and alternative interpretations and how contradictory data were handled is explained.

Chapter 4 (developing a framework for adaptation of the sales process through empirical data) is where the case findings are presented. Section 4.1 deals with understanding the sales and buying processes. The near-equal prominence the sales and buying processes provided reflects the core notion of relationship orientation, of taking both the seller and buyer into consideration. Section 4.2 focuses on examining adaptation of the sales process to the buying process. Section 4.3 explores the concept of combining the sales and buying processes into an integrated process. Throughout these sections, a considerable amount of excerpts from interviewee responses (both from the seller and buyer) are provided. Instead of solely providing a descriptive repetition of the responses, the excerpts are also analysed and interpreted in a way that
allows the reader to follow this process. In section 4.4, 'Strategic adaptation linked to a relationship-oriented mindset', findings from theory and empirical data are pulled together, resulting in a strong framework for strategic adaptation of the sales process.

Chapter 5, summary and discussion, concludes this study. Section 5.1 provides a summary of the various parts of the research. In section 5.2, the study and research process are evaluated and judged in terms of credibility, transferability, dependability, and conformability. The conceptual contribution of the study is discussed in section 5.3. Managerial and practical implications, including environmental implications in which following the results of this study may result, are discussed in section 5.4. Limitations of the study are discussed in section 5.5. Finally, suggestions for further research are presented in section 5.6.
2 RELATIONSHIP ORIENTATION OF THE SALES PROCESS

The aim of this literature review chapter is to explore the relationship orientation of sales and especially the sales process in a business-to-business context as has been presented in literature. This review includes literature from relationship marketing, sales and purchasing research. The main question that is pursued is: How do sales, buying and marketing literature refer to relationship oriented business initiation? The goal in this chapter is to build understanding and to arrive at a more holistic view of relationship orientation of the sales process during relationship initiation compared to when exploring relationship orientation from the viewpoint of the seller or the buyer alone.

In order to study relationship orientation of the sales process during relationship initiation between businesses, I considered it important to understand how relationship orientation and the sales process during relationship initiation are constructed. Hence, this chapter focuses on relationship orientation and the sales process from various perspectives, i.e. from the seller’s and the buyer’s perspectives, and as far as possible from a position that represents both the seller and the buyer. I regard adaptation as manifestation of relationship orientation. Furthermore, I regard relationship initiation as being socially constructed between the seller and the buyer through their sales and buying processes. I use these as my guiding principles throughout the literature review.

The research areas that I focus on in the literature review are illustrated in Figure 3. First, in order to specify the phase in the buyer-seller relationship that is studied, a review of the literature in relationship marketing research concerning relationship initiation between the seller and the buyer is conducted. Second, as adaptation is regarded as central to relationship orientation, business research related to adaptation is reviewed. Third, research in the area of sales regarding the sales process and relationship orientation of the process is reviewed. Fourth, in order to view relationship initiation from the perspective of the buyer, research in the area of purchasing with a focus on the buying process and the relationship orientation of the buying process are reviewed. Concluding this chapter and based on the findings of the literature review, research themes that are studied by the means of empirical data for developing a framework for strategic adaptation of the sales process in a business context are presented.
The main literature search was conducted using online databases. Searches were carried out using purposeful keywords. Relevant books and journals were reviewed, and relevance was determined by relationship orientation through adaptation and process-focus on sales or purchasing during relationship initiation. In order to find further literature, a ‘snowball’ literature search was conducted: references in relevant literature were scanned and searched. This yielded several additional sources that were both relevant and important for the contents of this study.

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1 The main literature search was conducted using online databases available through the Nelli portal (http://www.hanken.fi/student/library/) and the library of Hanken School of Economics. The Nelli eJournals portal searches for articles in following 10 online databases: ABI/Inform (ProQuest), Blackwell Synergy, Business Source Complete (EBSCO), Emerald Journals (Emerald), JSTOR – Business Collection (XML), Management & Organization Studies Fulltext Collection (SAGE), Science Direct (Elsevier), SourceOECD – Statistical Databases, Books and Periodicals, SpringerLink, and SwetsWise (Swets Information Services). In addition, complementing searches were conducted in following databases: IMP group (http://www.impgroup.org), Harvard Business Review (http://hbr.harvardbusiness.org), Google Scholar (http://scholar.google.com) and Journal of Personal Selling & Sales Management (http://www.jpssm.org).


3 The main literature search was conducted using online databases available through the Nelli portal (http://www.hanken.fi/student/library/) and the library of Hanken School of Economics. The Nelli eJournals portal searches for articles in following 10 online databases: ABI/Inform (ProQuest), Blackwell Synergy, Business Source Complete (EBSCO), Emerald Journals (Emerald), JSTOR – Business Collection (XML), Management & Organization Studies Fulltext Collection (SAGE), Science Direct (Elsevier), SourceOECD – Statistical Databases, Books and Periodicals, SpringerLink, and SwetsWise (Swets Information Services). In addition, complementing searches were conducted in following databases: IMP
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2.1. Relationship initiation phase of business engagement

In this section, first relationship initiation as presented in relationship marketing is examined. Second, a conceptualisation of the beginning of the relationship process is conducted through a comparison of the stages and phases used in relationship marketing literature for describing progress in relationship initiation. This section concludes with a presentation of the relationship initiation process.

2.1.1. Relationship as concept

Relationship marketing focuses on studying buyer-seller relationships: both business-to-consumer and business-to-business relationships. However, it is rather surprising that, despite the vast amount of research that has been conducted within relationship marketing, the question what is a relationship still seems to be subject for debate (cf. Grönroos 2007). In marketing literature, relationships have been described from various perspectives (cf. Holmlund & Törnroos 1997). Relationships are often compared to marriages, with a long-term focus (e.g. Levitt 1983; Dwyer, Schurr & Oh 1987) as opposed to ‘affairs’, indicating short-term transactions and exchanges. Furthermore, it has been proposed that relationships should be compared to ‘dances’ rather than to the marriage vs. affair metaphor (Wilkinson & Young 1994). In order to understand the concept of a relationship, the following attitude-oriented description presented by Grönroos (2007:36) may be useful: “a relationship has developed when a customer perceives that a mutual way of thinking exists between customer and supplier or service provider”. Here ‘mutual way of thinking’ refers to there being a two-way commitment (Grönroos 2007). Perhaps deriving from an assumption that the seller is always prepared to enter a relationship, this definition implies that it would be the customer who decides when a relationship has been achieved. However, it could also be the seller who decides this. In situations where the seller provides something for which demand is higher than supply, it could in fact be the seller who decides if a mutual way of thinking exists. In other words, whether it is the seller or buyer who makes this decision may in fact be related to the overall context. Moreover, in a business context, a relationship can be defined as “an independent process of continuous interaction and exchange between at least two actors in a business network context” (Holmlund & Törnroos 1997:305). This definition corresponds to definitions of relationship presented in network approach in relationship marketing. In this study, the relationship between the seller and the buyer in a business-to-business context involves
a direct business engagement between the parties. Additionally, a relationship can be considered to have begun when the seller and the buyer agree on a business contract and ends when the mutual business engagement expires or is discontinued.

2.1.2. Conceptualisation of beginning in relationship process

In order to understand how the commencement of a relationship is understood, in this sub-section I have focused on the process nature of relationship. Various presentations of relationship process models are explored.

The concept of relationship marketing emanates from service marketing, with the concept ‘relationship marketing’ being coined in early 1983 by Berry in his AMA (American Marketing Association) conference paper (Berry 1983, 2002). In Nordic research traditions the relevance and importance of relationships has been recognised quite early on when compared to American marketing research (cf. Grönroos 1989). Research in the Nordic School of Services, which focuses on service marketing, recognised the importance of relationships early on (e.g. Grönroos 1979, 1983; Lehtinen 1982; Gummesson 1987). Likewise, researchers of the IMP (International Marketing and Purchasing) Group, which focuses on industrial marketing, adopted an interactive or network approach, recognising the importance of relationships between the actors in the network (cf. e.g. Håkansson & Snehota 1976; Håkansson & Johansson 1982). Grönroos proposed that the American definition of marketing should be redefined, and he put forward a definition that adopted a market-oriented approach “which is more geared to the nature of modern marketing research in Finland and the Scandinavian countries” (Grönroos 1989b:52):

“Marketing is to establish, develop and commercialise long-term customer relationships, so that objectives of the parties involved are met. This is done by mutual exchange and keeping the promises” (Grönroos 1989b:57).

In service research it is recognised that relationship marketing includes: attracting, maintaining, and enhancing customer relationships (Berry 1983). In addition to being established, strengthened, and developed, relationships are commercialised (Grönroos 1989b). In some situations however, instead of pursuing a long-term relationship, it may be justified for the seller to pursue a short-term sales relationship, a fact, which adds the ‘ending’ phase to the relationship (cf. Grönroos 1989b). In other words, the relationship process can be divided into stages: attracting, maintaining, and enhancing (Berry 1983:61); or establishing, strengthening, developing, and ending (Grönroos 1989b:58). In the service marketing line of relationship marketing research, the first stage of the relationship does not seem to have received more detailed attention. Research in this field has not further explored relationship initiation. In order to explore the beginning of the relationship process in more depth, we now turn to IMP research.

One of the cornerstones of IMP research with regards to business-to-business relationships is the study the development of buyer-seller relationships in industrial markets (Ford 1980). In this model Ford (1980) presented a five-stage process for how relationships evolve: (1) pre-relationship stage, (2) early stage, (3) development stage, (4) long-term stage, and (5) final stage. Together with Rosson, Ford later refined this model. The stages were renamed to states (Ford & Rosson 1982). Later, the names of the phases were changed and their number decreased from five to four: (1) pre-relationship stage, (2) exploratory stage, (3) developing stage, and (4) stable stage (Ford, Gadde, Håkansson, Lundgren, Snehota, Turnbull & Wilson 1998). The concept
of dividing a relationship in phases has been criticised by some researchers with the notion that such models may imply some kind of linear, process-like lifecycle approach, or that the models assume a pre-defined sequence of stages (cf. Wilkinson & Young 1994; Edvardsson et al. 2008) However, in Ford’s defence it can be stated that although this model relies on some type of lifecycle notion (cf. Pedersen et al. 2005), he states that “the process described does not argue the inevitability of relationship development”, and that “relationships can fail to develop or regress depending upon the actions of either party or of competing buyers or sellers” (Ford 1980:340). This reveals that Ford did not imply an automated progression through the stages.

Examining Ford’s original five-stage model (1980) – that describes the evolution of the buyer-seller relationships in industrial markets – reveals that only the first stage, pre-relationship stage, and second stage, early stage, to some extent describe the initiation of a relationship. Already the third stage, development stage, as described by him “occurs as deliveries of continuously purchased products increase” (Ford 1980:345). In other words, when entering this stage the seller and the buyer have already moved past the initiation of a relationship and have entered a business relationship. During the fourth stage, long-term stage, the parties still reside in the relationship, whereas in the fifth stage, final stage, the parties depart from the relationship. However, as this study focuses on relationship initiation, the second, third, fourth and fifth stages in Ford’s (1980) model are outside of the scope of this study.

For the purpose of describing the beginning of a relationship, researchers in the field of relationship marketing have developed several concepts such as: pre-relationship stage (Ford 1980); new state (Ford & Rosson 1982); attracting (a customer relationship) (Berry 1983); initiation process (Frazier 1983); need complementarity (Wilson & Mummalaneni 1986); awareness (Dwyer et al. 1987); interest stage (Frazier, Spekman & O’Neal 1988); establishing (a customer relationship) (Grönroos 1989b); negotiation (Ring & Van de Ven 1994); partner search and selection (Wilson 1995); pre-relationship stage (Ford et al. 1998); searching process (Batonda & Perry 2003); pre-engagement (Leonidou 2003); relationship initiation (Aarikka-Stenroos & Halinen 2007; Edvardsson et al. 2008), as presented in Table 2.
Table 2  Concepts for describing pre-relationship stage (adapted from Edvardsson et al. 2008:4)

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Concept</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ford (1980)</td>
<td>Pre-relationship stage</td>
</tr>
<tr>
<td>Berry (1983)</td>
<td>Attracting (customer relationship)</td>
</tr>
<tr>
<td>Frazier (1983)</td>
<td>Initiation process</td>
</tr>
<tr>
<td>Wilson &amp; Mummalaneni (1986)</td>
<td>Need complementarity</td>
</tr>
<tr>
<td>Dwyer et al. (1987)</td>
<td>Awareness</td>
</tr>
<tr>
<td>Frazier et al. (1988)</td>
<td>Interest stage</td>
</tr>
<tr>
<td>Grönroos (1989b)</td>
<td>Establishing (customer relationship)</td>
</tr>
<tr>
<td>Ring &amp; Van de Ven (1994)</td>
<td>(Motivation and business conditions met) Negotiation</td>
</tr>
<tr>
<td>Wilson (1995)</td>
<td>Partner search and selection</td>
</tr>
<tr>
<td>Ford et al. (1998)</td>
<td>Pre-relationship stage</td>
</tr>
<tr>
<td>Leonidou (2003)</td>
<td>Pre-engagement</td>
</tr>
<tr>
<td>Aarikka-Stenroos &amp; Halinen (2007)</td>
<td>Relationship initiation</td>
</tr>
<tr>
<td>Edvardsson, et al. (2008)</td>
<td>Relationship initiation</td>
</tr>
</tbody>
</table>

In the table, concepts that have been applied by various researchers in order to describe the status in relationship initiation are summarised. Apart from Aarikka-Stenroos and Halinen (2007) and Edvardsson et al. (2008), research has not focused on conceptualising the beginning of a relationship in a way that would enable a more detailed examination of what occurs during the relationship initiation. In this study, the concept relationship initiation is used to denote the phase that precedes relationship.

2.1.3. Relationship initiation

The vast majority of studies conducted in relationship marketing focus on existing relationships between the seller and the buyer (Pedersen et al. 2005; Aarikka-Stenroos & Halinen 2007; Edvardsson et al. 2008). Whereas some attention has been paid to the ending of a relationship (e.g. Tähtinen 2001), very few researchers have studied the initiation phase. Lately, some researchers have begun to explore this concept, e.g. by researching how relationships begin (Pedersen et al. 2005) as well as studying the initiation of business-to-business relationships (Aarikka-Stenroos & Halinen 2007; Edvardsson et al. 2008).

Since the initiation of business relationships has not gained significant attention within relationship marketing research, it is not surprising that there does not seem to be a commonly accepted definition for when a relationship begins, nor when a relationship ends. Additionally, it does not seem to be commonly agreed upon when the relationship initiation phase begins, nor when it ends (cf. Edvardsson et al. 2008).
To address the question *when does a relationship begin*, researchers have chosen different approaches. According to some of the researchers who are at one end of the spectrum and who address this, a one-sided initiation of the process is already sufficient, defining the *need* and *motive* for acquiring a solution (Frazier 1983; Yorke 1990) or *interest* as the starting point (Yorke 1990) of a relationship. Moving across the spectrum, some researchers argue that the parties should not only have become aware of each other, but that at least an *initial contact* should have been made (Batonda & Perry 2003; Pedersen et al. 2005). Others go further, stating that the parties should also have *been in contact* with each other (Halinen & Salmi 2001). Moving further still, there are researchers who argue that the parties should have begun to *evaluate* each other (Ford 1980). At the other end of the spectrum, some state that the relationship begins when a *business agreement* has been reached (Edvardsson et al. 2008), or when the *first deal* has been made (cf. Aarikka-Stenroos & Halinen 2007). Compared to those who state that a need and motive denote the starting point (Frazier 1983; Yorke 1990), at the other end of the spectrum is the view that a relationship begins only when a *business exchange commences* (Ford & Rosson 1982). When constructing a framework where the relationship begins at the point where the parties *commence* negotiations, Ring and Van de Ven (1994), who studied the developmental process of cooperative interorganisational relationships (IOR) assumed that:

"[… ] business conditions and motivations exist, which are sufficient enough to cause two or more organisations to explore exchange using a cooperative IOR governed by a relational contract" (Ring & Van de Ven 1994:92).

Although they were not explicit in stating when the relationship begins, it could be assumed that it begins with the *motivation*, once business conditions are met.

With the exceptions of Aarikka-Stenroos and Halinen (2007) and Edvardsson et al. (2008), the above descriptions of *when a relationship starts* adopt a view where relationship initiation does not seem to exist as a phenomenon or process in its own right, but rather is somehow included in the relationship process. To be able to examine the relationship initiation process, there is a need to define the point where relationship initiation begins and ends. It seems logical that the relationship initiation would end when a contract is reached, after which it becomes a relationship. Additionally, it seems logical to define the starting point for relationship initiation as being where the seller and the buyer become aware of each other. Hence, relationship initiation is in this paper closely understood as defined by Edvardsson et al. (2008):

"Relationship initiation begins when the seller and the buyer in a potential relationship recognise each other, and the relationship initiation ends when a business agreement is reached. Reaching a business agreement denotes the end of the initiation process and the start of the business relationship." (Edvardsson et al. 2008:3)

That the parties *recognise* each other refers to the fact that the seller and buyer have become *aware* of each other, as opposed to being unaware of each other. Furthermore, this infers that at least one of the parties is interested in exploring the possibility of initiating a relationship. In order to highlight these points, and also to underline that ‘reaching a business agreement’ can result in one or both parties withdrawing from pursuing the projected business engagement, Edvardsson et al.’s (2008) definition for relationship initiation is slightly modified. As defined in the context of this study, *relationship initiation starts when the seller or the buyer commences the process of pursuing business engagement* and optimally *ends when a business agreement is reached, or when one or both parties withdraw from pursuing a mutual business engagement.*
2.1.4. Relationship initiation process

Based on the research in service marketing literature that was conducted for this study, it seems that the models proposed by Aarikka-Stenroos and Halinen (2007) and Edvardsson et al. (2008) are, to the best of my knowledge, the only process models that focus on the initiation of a relationship in a business-to-business context. Although Aarikka-Stenroos and Halinen’s (2007) primary focus is analysing the involvement of third parties in the initiation phase, they present a relationship initiation process that consists of four stages, or processes: (1) awareness building, (2) access, (3) partner matching, and (4) specifying the deal. Although their primary focus is on the third actor (i.e. the intermediary between the seller and buyer), their conceptualisation of the relationship initiation process is highly relevant for this study. They present the relationship initiation process as linked to the sales and buying processes: “the four key processes [awareness building, access, partner matching, and specifying the deal] are necessary for both the buyer and the seller in the initiation, buying and selling processes respectively” (Aarikka-Stenroos & Halinen 2007:17). In their study however, they do not further explore the linkage between the sales and buying processes, rather they concentrate on describing what type of third party is best suited for acting as an intermediary between the seller and buyer during the various stages of relationship initiation.

Edvardsson et al.’s (2008) primary focus is to develop a conceptualisation that explores the dynamics in the relationship initiation process, yet their model additionally describes the process of relationship initiation. Edvardsson et al. (2008) divide the relationship initiation process into four stages, or statuses: (1) unrecognised, (2) recognised, (3) considered, and (4) agreement/relationship, as described in Figure 4.

![Figure 4 Relationship initiation process model (Edvardsson et al. 2008:342)](image)

In this process model, the first status, unrecognised, the seller and the buyer have not recognised each other; or to be more precise, the buyer has not recognised the seller. The second status, recognised, refers to the situation in which the parties have become aware of each other (due to the buyer having recognised the seller, not the other way around). In the third status, considered, refers to a stage in which the buyer considers the seller as a supplier and partner. In the fourth status, relationship/agreement, the parties have reached a business agreement.

Furthermore, as Edvardsson et al.’s (2008) primary focus is on the dynamics in relationship initiation, in addition to presenting the status concept, they identify two different forces that affect the dynamics in relationship initiation: a face that seems to speed up or slow down the process, and another that prevents the process from proceeding or reversing. The former named the converter (C) and the latter inhibitor (I). Converters speed up or slow down the process of moving from one status to another. Three key factors that constitute converters are: seller’s capability to handle the time factor; ability to build trust; and the service offering in itself. Inhibitors may
not only prevent a progression in status but also prevent regression. Three types of inhibitors that were presented include: image of the seller’s firm; risk perceived by the buyer; and the buyer having bonds to other current sellers (vendors).

The conceptualisations of the relationship initiation process as presented by Aarikka-Stenroos and Halinen (2007) and Edvardsson et al. (2008) are important for this study because they add to the understanding of how sales and buying relate to and construct relationship initiation. Furthermore, ‘links’ between the relationship initiation, sales and buying processes are presented: “relationship initiation is seen as a process that leads to the first deal between the parties” (Aarikka-Stenroos & Halinen 2007:3). Following their logic and emphasising the links between the relationship initiation, sales and buying processes, in this study, relationship initiation process is defined as follows: the relationship initiation process begins in the stages of the sales and buying processes at the point where the seller and buyer become aware of each other, and ends at the stage of the sales and buying processes where an agreement is reached.

However, it is worth pointing out that in this study ‘at the stage of the sales and buying processes where an agreement is reached’, does not necessarily imply that an agreement is in fact signed (cf. Aarikka-Stenroos & Halinen 2007; Edvardsson et al. 2008), because it is possible that the seller is not selected to become supplier to the buyer. In other words, in that case the ‘non-business agreement’ that is reached involves that the parties do not engage in business with each other. In the case that no business agreement is reached, the seller (together with the pursued relationship) will revert in the relationship initiation process to only having a recognised status (cf. Edvardsson et al. 2008) or to the stages awareness building or access (cf. Aarikka-Stenroos & Halinen 2007).

Relationship initiation and the relationship initiation process as presented in this sub-section provide a link between the sales and buying, and their respective processes (Aarikka-Stenroos & Halinen 2007). Analogous to how relationship initiation is constructed through sales and buying, the relationship initiation process is constructed through the sales and buying processes. Moreover, progressing or reverting in the relationship initiation process is linked to progressing or reverting in the sales and buying processes. This suggests that in order to understand the concept of business engagement during relationship initiation, both the sales and buying processes of involved parties should be studied.

2.2. Adaptation during relationship initiation

In this section, adaptation is explored, with particular reference to adaptation during relationship initiation whilst aiming at business engagement. The goal in this section is to present relationship orientation through adaptation, how adaptation has been understood and how it is an integral part of relationship orientation during relationship initiation. Firstly, adaptation is presented as part of relationship orientation. Secondly, the concept of adaptation is discussed. Thirdly, definitions of adaptation in business research are examined. Fourthly, concepts closely related to adaptation are presented. Fifthly, interfirm adaptation between sellers and buyers is discussed. Sixthly, a definition for adaptation in the sales process setting as used in this study is presented.
2.2.1. Relationship orientation through adaptation

In marketing research, relationship orientation lacks a clear definition. In relationship marketing research, the focus is predominantly on existing buyer-seller relationships, rather than on situations where relationships are yet to be formed by the seller or buyer. Nevertheless, the concept of relationship orientation can be understood to convey a willingness and desire for something more than merely transacting or conducting an exchange between the involved parties. As pointed out by Brennan et al. (2003),

“If two ‘partners’ were merely to transact business between each other under standard terms and conditions, at standard prices, buying and selling standard products using standard commercial procedures, then it would hardly be a ‘partnership’. The defining characteristic of a ‘relationship’ or a ‘partnership’, arguably, is that at least one of the partners adapts to the specific needs of the other” (Brennan et al. 2003:1638).

Adaptation is a concept of central concern in the study of the buyer-seller relationships. According to Gadde & Håkansson (1993:68), "adaptation is one of the characteristic phenomena associated with relationships." Underpinning the importance of adaptation in business relationships, Brennan’s et al. (2003) statement corresponds to Hallén’s et al. (1991) argument that since business relationships in general are based on a process of matching the operations between two companies, adaptations are important aspects of relationships between businesses.

When studying the concepts of ‘relationship’ and ‘orientation’ separately, the concept of a ‘relationship’, as used in this study, refers to business engagement between a seller and buyer. Orientation on the other hand refers to a positioning or standpoint regarding e.g. a subject, topic or theme. As pointed out by Brennan et al. (2003), a central characteristic of a relationship is that at least one party adapts to the other. In other words, adaptation takes on a central importance. Combining both concepts - relationship and orientation – gives us the concept of ‘relationship orientation’ as is used in this study: leaning towards business engagement through adaptation of business processes with the aim of a long-term and mutually profitable business relationship between a buyer and a seller. Stated differently, relationship orientation can be understood as a mindset with the goal of a relationship. Adaptation on the other hand, can be regarded as the strategy and means that optimally lead to a relationship involving a business engagement between the parties.

2.2.2. The concept of adaptation

Adaptation is an important concept and has a long history in many fields of science (e.g. Hallén et al. 1991; Brennan & Turnbull 1995, 1996). In biology, adaptation refers to the way organisms adjust and relate to changes in their environment, whereas in cultural ecology the study of adaptation focuses on effects that humans and groups have on their environment and how they adapt to it. (Holma 2009)

The concept of adaptation can be considered closely related to interaction. Similar to the way in which individuals who interact for longer periods of time begin to adapt to each other, adaptation occurs between business relationships (Hallén, Johansson & Seyed-Mohamed 1991). However, instead of narrowing the view of adaptation to being something that passively occurs over time, a more active view and approach can be adopted: adaptation can be planned and conducted actively (cf. Holma 2009).
In business research, adaptation is widely studied in the fields of organisational studies and marketing. In organisational research, adaptation research notably focuses via contingency theory on the organisation-environment interface, and through behavioural theory on adaptation of organisations (Holma 2009). Marketing in general could be defined as the process of adapting an organisation to meet the needs of the customer (Brennan et al. 2003).

In addition to adapting to changes in the environment at large (i.e. its business environment, its competitors and customers’ requirements), companies adapt to changes in the relationships between themselves and their customers (Canning & Brennan 2004). Adaptation between businesses occurs when companies adjust their actors, resources and activities in relation to those of their counterparts (Håkansson & Snehota 1995).

“Relationship specific modifications can occur in the early stages of a relationship in order to bring about ‘fit’ between organizations but will also continue for the duration of a relationship as understanding and expectations change and companies seek to respond to the dynamic business environment in which they operate” (Canning & Brennan 2004:5).

Adaptation can be regarded to be of central importance in the dynamics of initiating and developing business relationships (Hallén et al. 1991; Schurr 2007; Holma 2009), and the seller’s motivation to adapt can act as a converter in the relationship initiation phase (Edvardsson et al. 2008). Adaptations can differ in terms of the resources involved as well as the effect on company behaviour and the company itself. At one extreme, adaptations can be relatively minor and may simply involve for example a salesperson changing his/her communication style when dealing with counterparts in a customer’s company. At the other extreme, a selling firm might invest in manufacturing facilities specifically for a particular customer. (Canning & Brennan 2004)

Adaptation can be an effective way of building or maintaining a valued business relationship between seller and buyer. Adaptation can be regarded as an investment into the (pursued) relationship, and the nature of such investments is usually non-transferable (Brennan et al. 2003; Canning & Brennan 2004). In other words, should the relationship fail, then much of the investment would go to waste – although the adaptive party or parties might be able to learn from this and use this experience when building new customer - supplier relationships (Brennan et al. 2003). In general however, adaptations are relationship specific and cannot as such be transferred to other relationships (Canning & Brennan 2004).

Rather than consisting of one process, adaptation between the seller and the buyer entails two processes that are intertwined: intrafirm adaptation and interfirm adaptation. Intrafirm adaptation refers to adaptation within an organisation, whereas interfirm adaptation occurs in the interaction between the organisations. Both the intrafirm and interfirm processes are activated when firms adapt towards their counterpart (Brennan & Turnbull 1999). Although both firms can be involved in adaptation, in many instances however it is only one of the parties in an exchange relationship that actually adapts (Hallén et al. 1991). The level of involvement in the adaptation process and contribution of the parties can vary (Brennan & Canning 2002). Whereas some changes might be conducted without the counterpart knowing, others may require some input from and acceptance of the counterpart. More complex adaptations might require the involvement of both parties (Canning & Brennan 2004).

In research it is suggested that there is an overlapping between adaptation and learning (Håkansson et al. 1999; March 1991). For example, the supplier has to learn about the
buyer’s service requirements before they can effectively adapt their product offering to meet the needs and requirements of the buyer (Knoppen, Christiansee & Huysman 2010). Input and transformation of input into knowledge precede learning. In other words, to be able to adapt, the seller has to gather or acquire knowledge about the buyer.

2.2.3. Definitions of adaptation in business research

Although the concept of adaptation is broadly used and well recognised in business literature (e.g. Brennan & Turnbull 1996), there is no generally accepted definition of adaptation. This is an issue that has been pointed out by Brennan et al. (2003) who state that:

“The unqualified use of the term adaptation in the marketing literature is problematic, since it would not be unreasonable to define marketing itself as the process of adapting an organization to meet the needs of the customer” (Brennan et al. 2003:1638).

The concept of adaptation is well recognised in marketing literature, notably in interaction and network literature; ‘interfirm adaptation’, ‘dyadic adaptation’, and ‘buyer-seller adaptation’ are often used when defining adaptation between two firms (Holma 2009:43). The concept of interfirm adaptation has been used extensively and differently in research concerning relationships between businesses (e.g. Håkansson 1982; Turnbull & Valla 1986; Hallen et al. 1991, 1993; Håkansson & Snehota 1995; Brennan & Turnbull 1995, 1996; Cannon, Achrol & Grundlach 2000; Brennan et al. 2003). Instead of providing a single, all-encompassing definition, various researchers have chosen different approaches to deal with this concept. Instead of providing a definition for interfirm adaptation, Håkansson (1982) provides examples to illustrate the concept:

“Another important aspect of the relationship is the adaptations which one or other party may make in either the elements exchanged or the process of exchange. Examples of this are adaptations in product, in financial arrangements, in information routines or social relations” (Håkansson 1982:18, emphasis in original).

Another approach, which rather than providing a distinct definition, provides an analogy with the natural sciences such as biology where adaptation is used (Hallén et al. 1991):

“Adaptation is a concept with a long history in biology... Adaptation has also been used in human and cultural ecology” (Hallén et al. 1991:29).

In contrast, Brennan and Turnbull (1995) provide a definition of interfirm adaptation from a behavioural perspective:

“Buyer-seller adaptations are defined as behavioural modifications, at the individual, group or corporate level, carried out by one organisation, which are initially designed to meet specific needs of one other organization” (Brennan & Turnbull 1995:182).

Adding reciprocity, underlining the newness of the needs to which adaptation is conducted, and focusing on exchange relationships, Canning (1999) defines adaptation as:

“[..] modifications at the individual, group or corporate level which are carried out by one or both parties in an exchange relationship in order to suit new needs or conditions, and which are designed initially for that specific relationship” (Canning 1999:35).
Canning and Brennan (2004) used the same definition also when studying the connection between strategy and adaptation.

A definition by Brennan et al. (2003), in which reciprocity is left out and corporate changes are added, emphasises dyadic adaptation, and focuses attention on the level of the supplier-customer relationship:

“Dyadic adaptations are defined as behavioural or organizational modifications at the individual, group or corporate level, carried out by one organization, which are designed to meet the specific needs of one other organization” (Brennan et al. 2003:1639).

Introducing triggers for adaptation, Hagberg-Andersson (2007) states that modifications should be regarded as being offensive or defensive. Additionally, instead of focusing on the counterpart or the relationship, she focuses on the needs of oneself or one’s own company:

“Adaptations should be regarded as offensive or defensive modifications, carried out by one or two parties to meet the needs of one’s own or another individual or organization” (Hagberg-Andersson 2007:33).

Broadening adaptations to triadic settings, by changing ‘offensive’ and ‘defensive’ (cf. Hagberg-Andersson 2007) into ‘pro-active’ and ‘reactive’, and introducing the contextual setting, plus the inclusion of the non-transferability of adaptations (cf. Brennan et al. 2003; Canning & Brennan 2004), Holma (2009) defines adaptation as:

“Pro-active or reactive adjustments in actor bonds, resource ties, and activity links in triadic relationship settings that take into account the contextual setting and changes in it. Adaptations are designed initially for a business relationship in a triadic relationship setting, and they are not transferrable as such to other relationships” (Holma 2009:52).

These various definition show that adaptations can be understood as occurring on various levels: adaptations can be regarded one-sided or reciprocal; their nature can be offensive or defensive and pro-active or reactive; the contextual setting and changes can affect adaptation; adaptations can be conducted within or between firms; and they can be regarded non-transferable to other situations. In general, definitions of adaptation refer to behavioural modifications or adjustments. In this study however, where adaptations are linked to, and form the means for relationship orientation, adaptations are closely tied to a relational mindset.

2.2.4. Concepts closely related to adaptation

There are several concepts that are closely related to adaptation in marketing research (Holma 2009). Many of the concepts involve the understanding of making an investment, and that the investment is relationship specific (e.g. Wilson & Mummalaneni 1986). Although the term investment is sometimes used interchangeably with adaptation, from a relationship–marketing standpoint, the term investment is too narrow a term to fully describe the diverseness and various types of adaptation (Holma 2009).

However, in addition to being used synonymously, adaptation and investment can be used to distinguish various kinds of adaptation. In order to make a distinction between active and passive adaptation, Halinen (1994) divides adaptation into two further dimensions: investing and adapting. Adapting refers to an activity where the company adapts to the requirements of the other party or the contextual setting (an its changes);
thus, adapting is regarded as a passive activity that is conducted by the company only when considered necessary. In contrast, investing is defined as an activity where the firm actively adapts in order to accommodate the other party, thus strengthening the relationship. (Halinen 1994)

When referring to the capability to adapt to future changes, the concepts ‘flexibility’ and ‘adaptability’ can be regarded synonymous (Jahre & Fabbe-Costes 2005). Supplier flexibility can be understood as the supplier’s capacity (or capability) and willingness to make modifications to accommodate the customer’s (buyer’s) needs.

Power is often presented as something that triggers adaptation. In an interorganisational context, power refers to the ability of one party to induce the other party to change its decision-making or behaviour in favour of the party possessing more power (i.e. the more dominant party) (Wilemon 1972). In a business context where relationships are interdependent, although both sellers and buyers have some degree of power, most often the power distribution is asymmetrical rather than balanced (Dwyer & Walker 1981). When power is unequally distributed, the less powerful party is more likely to adapt to the more powerful party (than vice versa) (Leonidou 2005). However, the degree of behavioural change will depend on the strength of the influence as reflected in the cost of non-compliance, as well as the amount of resistance to the demands of the party using the power (Wilkinson 1981).

Integration is described as tighter or closer adaptation that facilitates co-ordination of activities, production, and processes, also referred to as formal and large-scale adaptation (Brennan & Turnbull 1999). Integration is typical and often present in joint-projects such as joint ventures and joint-production between firms. In order to succeed, integration requires at least some shared knowledge and mutual commitment by both parties.

In this study, investments that the seller and buyer make to enhance the process of relationship initiation are regarded as relationship specific. Being more restrictive in nature however, the term 'investment' is not used interchangeably with adaptation. Adaptation and investment are not viewed as various dimensions where adaptation would refer to everything from passive adaptation and investing to active adaptation (cf. Halinen 1994), but rather adaptation is viewed as partly consisting of the investment that one or both parties make into the relationship. Flexibility or adaptability are used interchangeably and refer mainly to the supplier’s voluntary willingness and capacity or capability to adapt to accommodate the buyer’s needs and requirements. Although asymmetrical power distribution is considered as a factor that can trigger adaptation, this may not affect the adaptability of the adaptive party, or their voluntary willingness to adapt. Using power to influence someone is more likely to result in forced adaptation rather than voluntary and genuine adaptation. In other words, rather than voluntarily accommodating to the needs and requirements of the other party to foster a win-win situation, when forced, the adaptive party adapts because there is no other viable option available. Hence, forced adaptation could prove counter-productive for achieving a true win-win situation between the parties. In this study, adaptation, which is considered as a means by which to target a relationship, is regarded as being conducted in order to achieve mutual business engagement.
2.2.5. Research on interfirm adaptation

In this sub-section, research on interfirm adaptation is described. Firstly, adaptation in relationship management research is discussed. Secondly, adaptation in sales and sales management aimed at improving effectiveness in business initiation is presented. Finally, adaptation in buying and purchasing research is discussed.

2.2.5.1. Adaptation in relationship management research

In relationship management research, the concept of adaptation was introduced already in conjunction with the development of buyer-seller relationships in industrial markets (Ford 1980) and in the interaction model (Håkansson 1982).

Research focusing specifically on interfirm adaptation from a buyer’s perspective was conducted by Hallén et al. (1991). Their key findings include that: adaptations are associated with the power balance between the firms in a relationship; mutual adaptation creates trust between the parties; product complexity may lead to customer’s dependency on the supplier; and the customer’s relative importance to the supplier may cause a supplier to become dependent on a customer.

Focusing on buyer-seller relationships from a supplier’s perspective, Brennan and Turnbull (1999) draw conclusions about the forces that drive adaptation and adaptive behaviour, and categorise adaptations according to their scale and formality as illustrated in Figure 5. Relatively minor adaptations, which are planned are called tactical adaptations, and can be thought of as political bargaining chips in negotiations and in the relationship. Major, planned adaptations, such as investments in large-scale manufacturing plants for a specific customer are categorised as strategic adaptations, and involve formal decision-making. Minor, unplanned adaptations are regarded as ad-hoc adaptation or a kind of organisational socialisation process, through which the organisations learn how to do business with each other. Relatively small adaptations that are conducted without any explicit planning or decision-making are categorised as emergency or tacit adaptation.

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**Figure 5** Adaptation process: Scale and formality (Brennan & Turnbull 1999:486)

<table>
<thead>
<tr>
<th>Degree of formality</th>
<th>Scale of adaptation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planned Formal</td>
<td>Tactical Adaptation</td>
</tr>
<tr>
<td></td>
<td>Strategic Adaptation</td>
</tr>
<tr>
<td></td>
<td>Political</td>
</tr>
<tr>
<td></td>
<td>Investment</td>
</tr>
<tr>
<td></td>
<td>Deliberate decisions</td>
</tr>
<tr>
<td>Unplanned Informal</td>
<td>Ad hoc Adaptation</td>
</tr>
<tr>
<td></td>
<td>Emergency or Tacit Adaptation</td>
</tr>
<tr>
<td></td>
<td>Socialization</td>
</tr>
<tr>
<td></td>
<td>Evolutionary</td>
</tr>
<tr>
<td></td>
<td>Emergent decisions</td>
</tr>
</tbody>
</table>

Minor | Major
The figure above illustrates one way of categorising and viewing adaptations as conducted within the selling firm when in a relationship with a customer. This shows that there are significant differences between the types of adaptation used by the seller. This also shows that there are differences in to what extent adaptations are planned in advance, or not (i.e. if they just happen).

Furthermore, Brennan and Turnbull (1999) emphasised the connection between adaptation and trust: adaptation tends to increase the level of trust and commitment in a relationship. Although subscribing to the notion of how the power balance can affect relationships, they emphasise that power alone does not explain adaptation. Management orientation affects supplier adaptation: when the management of a company supports relationship orientation, this affects adaptive behaviour positively. In other words, in addition to the power balance and social exchange in relationships being important drivers of adaptive behaviour (cf. Hallén, Johansson & Seyed-Mohammed 1991, 1993), what clearly increases adaptive behaviour is the supplier’s managerial transactional-relational business approach: relationship orientation increases adaptive behaviour, whereas transaction orientation decreases it (Brennan & Turnbull 1999).

Focusing on the process of adaptation, Brennan and Canning (2002) describe the activities of the adaptation process within and between firms, their aim being to provide a comprehensive model of the adaptation process in an interfirm setting from a managerial point of view. They found that adaptations are primarily initiated by and conducted for the benefit of the customer.

Taking both the seller and buyer’s perspectives on adaptation into consideration, Brennan et al. (2003) provide a classification of adaptations without making a distinction between supplier and buyer adaptation. Supplier adaptation is driven by power, buyer support, and the managerial preferences for a more or less relational form of exchange of the two companies. In other words, suppliers adapt more to powerful buyers and to buyers who offer reciprocal adaptation. Adaptation by suppliers is found to be more frequent than adaptation by buyers (ibid.).

Drawing from observations of supplier-customer relationships in the ICT (information and communication technology) industry, Canning and Brennan (2004) studied managing strategy and adaptation at different levels: interfirm relationship level, market level, and business level. Their conclusion with regard to adaptation is that adapting is important and it has a positive impact on company performance. Adaptation demands resources, and because costs that are ‘sunk’ into the relationship are not readily transferrable as such, the likelihood of a firm acting opportunistically is reduced. In other words, costs can form an exit barrier to the relationship.

Taking into consideration both the seller and buyer’s perspectives, Schmidt, Tyler and Brennan (2007) focus on three areas with reference to adaptation: various types of adaptation, scope of adaptation, and reasons for adaptation. Additionally, they study the costs and benefits of adaptation. According to their findings, it is not common to conduct cost-benefit calculations for adaptation. Moreover, rather than being strategic or tactical, most adaptations are tacit or ad hoc.

Pointing out that adaptation in a business context does not exist isolated from the wider network, Holma (2009) studied adaptation in a triadic business setting. Her conclusions from having studied adaptation in a service setting include that adaptation between persons can be regarded as primary adaptations that can enable
organisational adaptation. Additionally, knowledge of the customer’s situation can have positive bearings on adaptation and its outcomes (cf. Holma 2009).

As shown here, adaptation has been studied from seller, buyer, and seller-buyer perspectives in relationship management. The outcomes of research include the realisation that adaptation is important, it provides benefits, and investments that adaptation requires are non-transferrable as such to other relationships. Furthermore, it is recognised that most adaptations are ad hoc, and more often conducted by the seller than the buyer. Although some research points out that adaptation is sometimes conducted without the other party realising this (cf. tacit adaptation, Brennan & Turnbull 1999), when adaptations are more complex, “managers from each company are involved in exchange episodes in order to decide how to realise the sought after change” (Canning and Brennan 2004:12). When adapting the seller’s sales process to the buyer’s buying process, this may require information sharing between the seller and buyer. Yet, research concerning adaptation does not clearly state that adaptation requires participation from both parties. However, in order to succeed, adaptation requires at least some level of participation of both of the parties involved.

2.2.5.2. Adaptive selling

For thirty years, marketing research has been searching for an optimal way of selling. The basic concept is that there is no single best way to sell, and that therefore salespersons have to adapt to the situation and potential customer (Román & Iacobucci 2010).

Personal selling is considered to be a very effective marketing vehicle. In fact, it is considered to be the only communication vehicle that allows a marketing message to be adapted to the specific needs of each customer (Spiro & Weitz 1990). Adaptive selling is thought to work better than any other means of communication because salespeople are able to develop a customised message for each customer (Román & Iacobucci 2010).

According to the seminal research of Weitz, Sujan and Sujan (1986), their ‘adaptive selling’ framework showed that salespeople have the possibility to gather information and then develop and tailor their sales presentation to fit each customer. Salespersons can observe their customers’ reactions to the sales presentation and make instantaneous adjustments (Weitz et al. 1986; Anglin, Stolman & Gentry 1990). Hence, despite the fact that personal selling is costly (Román & Martin 2008), especially when compared to some electronic alternatives, it can be very effective (Spiro & Weitz 1990). However, especially when selling complex solutions where the salesperson also has a consultative role, personal selling cannot be substituted by automated selling (e.g. Sheth and Sharma 2008). In general, adaptive selling leads to strong sales performance (e.g. Anglin et al. 1990; Franke & Park 2006). Moreover, the growing levels of turbulence in the external environments of firms today suggests that the strategic importance of adaptation can be expected to increase over the years to come (Schindehutte & Morris 2001). Hence, both marketing scholars and practitioners are becoming interested in understanding how adaptive selling is developed and fostered (Román & Iacobucci 2010).

When providing a framework for improving selling effectiveness through adaptive behaviour, Weitz et al. (1986) define adaptive selling as:
“The practice of adaptive selling is defined as the altering of sales behaviors during a customer interaction or across customer interactions based on perceived information about the nature of the selling situation” (Weitz et al. 1986:175).

An extreme example of non-adaptive selling is delivering the same sales presentation to all customers. In contrast, salespeople are extremely adaptive when they create unique sales presentations for each customer and alter their behaviour during an interaction (Weitz et al. 1986). When developing a measure of the degree to which salespeople practice adaptive selling, Spiro & Weitz (1990) used the same definition.

It is worth noting, that in their definition Weitz et al. (1986) did not take selling effectiveness into consideration, they only stated that adaptive selling can be effective or ineffective. The selling effectiveness of adaptive selling is moderated by the nature of the selling environment and the capabilities of the salesperson. In other words, adaptive selling becomes effective only when the benefits outweigh the costs of adaptive selling (ibid.).

According to Giacobbe, Jackson Jr., Crosby and Bridges (2006:121), adaptation during sales presentations is usually conducted by salespersons in contexts where: (1) customers are diverse and their needs are different; (2) the sales offering is complex; and (3) each customer/prospect have significant future profit potential. Adaptive selling behaviour can increase the performance of the salesperson and strengthen the relationship (ibid.).

In many cases, studies related to adaptive selling study the characteristics of the salesperson – concentrating on their ability and motivation for adaptive selling - and sales performance or sales effectiveness (e.g. Weitz et al. 1986; Jaramillo, Locander, Spector, & Harris 2007; Levy & Sharma 1994; Park & Holloway 2003; Spiro & Weitz 1990; Sujan et al. 1994; Weitz et al. 1986). Other studies focus on characteristics of the selling company, such as sales management policies and their effect on sales performance (Rapp, Agnihotri & Forbes 2008) or strategic adaptation and organisational performance (Schindehutte & Morris 2001).

Surprisingly, adaptive selling research does not explicate adaptation of key processes between the seller and the buying organisations. Such key processes would include the sales process. Due to the ever-growing sophistication and complexity of solutions that foster the trend towards consultative selling and complex solution selling (e.g. Rackham & DeVincentis 1998; Sheth & Sharma 2008), instead of being conducted by a single salesperson, selling is often conducted in teams consisting of a salesperson who is supported by a team of experts. If adaptive selling behaviour can increase sales performance and strengthen the relationship with the buyer when conducted on salesperson level (Giacobbe et al. 2006), it seems reasonable to assume that adapting the seller’s sales process to the buyer’s buying process would have a similar effect. This assumption will be examined further in this study.

2.2.5.3. Adaptation in purchasing

The paradigm shift towards relationships has been an increasingly important topic in business-to-business organisational strategy already since the 1980s (Humphreys, Williams & Goebel 2008). This is a fundamental reshaping of marketing and strategic management thinking and a paradigm shift in theory and practice (Webster 1992; Morgan & Hunt 1994; Vargo & Lush 2004). Although most previous research on interfirm relationships has focused on and adopted the perspective of the supplier, this
evolving strategic shift towards relationships is now having a profound impact on organisational purchasing and is putting buyers in new strategic roles (e.g. Parker & Anderson 2002).

In supply chain management research, it has been recognised that developing close and long-term relationships between the actors in a supply chain can result in an open and mutual information exchange, which can improve co-ordination of the activities between the parties (Håkansson & Persson 2004:12). In spite of this, compared to studies focusing on adaptation in marketing and sales research, adaptation does not seem to play as important a role in purchasing and supply chain management research. In general, research on adaptation that includes the buyer often consists of studies that adopt a dyadic view on organisational selling and purchasing (e.g. Bunn & Liu 1996; Brennan & Turnbull 1999; Knoppen & Christiaanse 2007; Knoppen et al. 2010) or a network view (e.g. Holma 2009; Hagberg-Andersson & Groenhaug 2010). In fact, there is little research on adaptation that is dedicated to the field of purchasing and that is conducted from the perspective of the buyer. In purchasing research, adaptation mostly relates to questions such as: standardisation vs. customisation of purchasing; decentralisation vs. centralisation of purchasing; and management of risks in organisational purchasing (e.g. Munnukka & Järv 2008). However, it mainly refers to adaptation that occurs on a product, production process, delivery process, person or firm level (e.g. Rozemeijer, Blonska & Wetzels 2008). In other words, there is a gap in research in the area of adaptation on the buying process level or adaptation of the buying process. In purchasing research, it is mostly expected that the seller should adapt their marketing program to the buyer (e.g. Leonidou 2005). Unlike in sales where adaptive selling has been widely studied – although mostly on individual level, as explained above – in purchasing there seems to be no research that would focus on ‘adaptive buying’ or ‘adaptive purchasing’.

It is well noted in literature that adopting a relational rather than transactional approach with reference to industrial markets can help both sellers and buyers to create superior value for mutual benefit (e.g. Han, Wilson & Dant 1993; Sharma & Sheth 1997; Sheth & Sharma 1997). Thus, to a certain degree, buyers should adapt to the capabilities of the supplier, and in the same sense, suppliers should adapt to the needs of the buyer (Hällén et al. 1991). Hence, many buying firms seek to build and maintain close relationships with suppliers (Cousins & Spekman 2003; Modi & Mabert 2007). Adaptation towards the other party in a buying-selling situation can provide considerable value to one or both parties, increase revenues or create dependence between the parties (Cannon & Perreault 1999). In practice, however, it is difficult to decide what aspects to adapt to, how to adapt, and to what extent (Boddy, MacBeth & Wagner 2000; Stjernström & Bengtsson 2004). In other words, despite that there is a clear and growing interest towards the benefits and advantages from relationship orientation and partnering in purchasing, the buyer adapting to the seller is (still) considered problematic.

Rather than strategically adapting to sellers, buyers seem more interested in strategically influencing sellers to adapt (e.g. Leonidou 2005); this is not however, always explicitly expressed (e.g. Kraljic 1983). Exercised power can be expressed in the form of various influence strategies, which reflect the power of each party in the relationship (Leonidou 2005). Buyers can adopt various influence strategies to cause the seller to adapt (cf. Leonidou 2005: Rozemeijer et al. 2008). The selection of strategy depends on factors such as: the possibility that the chosen strategy produces long-lasting results; the costs involved compared to expected return; desire to maintain influence over other party; the desire to maintain independence from other party; the
level of trust and understanding between parties; and the frustration, hostility, and displacement of aggression among interacting parties (Lusch & Brown 1982). Additionally, strategy selection is affected by organisational parameters such as: prior experience with the strategy; availability of resources to support the strategy; and the management style of the manager(s) involved (Etgar 1978). In general, an effective influence strategy corresponds to the specific roles and responsibilities of the parties and of each member in the relationship (Leonidou 2005).

In a study carried out to examine the influencing strategies adopted by customers, Leonidou (2005) presents a set of six influence strategies that customers or buyers use to influence suppliers (referent, expert, legalistic, reward, coercive, and informational). His research reveals that most customers choose not to jeopardise the future of their working relationship with current suppliers. Additionally, according to his research, the use of influence strategies varies systematically across the three buying situations: new buy, straight rebuy, and modified rebuy (Robinson et al. 1967). Straight rebuyers mostly use expert and referent strategies, which are basically harmless forms of influence that are consistent with the long-term, straightforward, and routine nature of the straight rebuy situation. These strategies enable buyers to increase their benefits at minimal cost and risk and without jeopardising a stable business relationship that has developed over time. Modified rebuyers tend to opt for more coercive strategies, which conform to the transitory character of the modified rebuy situation, whereby the customer has the option of dealing with other suppliers. In general, the modified rebuyer is more interested in achieving short-term gains rather than maintaining a long-term relationship with the supplier. In contrast to straight rebuyers and modified rebuyers, new-task buyers seldom use influence strategies in a systematic fashion. This is due to their limited experience with the supplier, which impedes effective implementation of influence strategies. The only strategies used more commonly by new-task buyers are those with strong immediate impact such as threats to choose another supplier or deciding to keep promises that have already been made. Applying such strategies in a new buy situation is easy because of the following: the buyer is still experimenting with the supplier, the investment in the relationship is (still) low (meaning that switching costs have not yet developed into a switching barrier) and the supplier’s readiness to invest in the relationship initiation, in hope of long-term profitability of the relationship, often assures the buyer that their coercive action will not provoke negative response behaviour by the supplier. (Leonidou 2005)

One concept that has evolved in purchasing and that has the potential to address relationship orientation of the purchaser is ‘supplier-oriented purchasing behaviour’ (SOPB) (e.g. Humphreys et al. 2008), which is analogous to relational selling (e.g. Ingram 1996; Parsons 2002; Dubinsky, Chonko, Jones & Roberts 2003). In other words, SOPB is to purchasing what relationship marketing and relational selling have been to the seller, i.e. these are activities that are intended to positively affect the development of desired relationships with a targeted business partner (Humphrey et al. 2008:327). As SOPB mainly focuses on those behavioural aspects and purchasing practices designed to establish a buying firm as an attractive business partner or preferred customer to targeted suppliers, the SOPB concept appears analogous to relational selling with regard to the seller.

In order to extend the focus of relationship-oriented purchasing beyond SOPB, Humphreys et al. (2008:328) one should describe supplier-oriented purchasing as “include understanding and satisfying the needs of targeted suppliers and fostering the development of mutually beneficial buyer-seller relationship.” Thus, supplier-orientation in purchasing is extended from behavioural aspects to include openness of
communication and information sharing between the parties, and that adaptation of business processes to match and complement those of the supplier (Humphreys et al. 2008).

Although it generally is the seller who is expected to adapt to the buyer, the benefits and value that supplier-orientation can generate for the parties involved has been recognised in purchasing research. The general understanding that it is mostly the seller who adapts to the buyer does not mean that the buyer would not play a significant role in adaptation. Buyer-based adaptation is not only rare, but additionally it may be difficult for the buyer to decide what aspects they should adapt to, how to adapt, and to what extent to adapt (Boddy et al. 2000; Stjernström & Bengtsson 2004). To a certain extent buyers can influence the adaptations being conducted by the seller. Alternatively, the buyer can take a more active approach through supplier-orientation in purchasing. In this study, supplier-oriented purchasing is considered to be going beyond purely behavioural aspects and to include: openness of communication and information sharing between the parties; and adaptation or facilitation of business processes adaptation in order to match and complement the processes of the supplier (Humphreys et al. 2008). In other words, instead of being a proponent of buyer-based adaptation where the buyer would adapt to the seller, I propose that the buyer leans towards the seller through openness in communication and information sharing. Instead of themselves adapting, the buyer could at least facilitate the seller’s adaptation.

2.2.6. Defining adaptation in sales process setting

Adaptation refers to adjustments being made to a pre-existing way of relating to, or doing something. Following this logic, adaptation of the sales process refers to adjustments being made to an existing sales process. Conversely, adaptation of the sales process does not refer to creating a sales process.

Adaptation in selling context has mainly been studied through adaptive selling, and rather than focusing on paving the way for a buyer-seller relationship, the focus is more on the use of adaptation as a tactical sales tool. Moreover, rather than adapting the sales process, adaptation is mostly restricted to adaptation on an individual level. In other words, instead of studying adaptation of the sales process as a whole, studies relating to adaptation mostly focus on the adaptation of individual elements related to the sales process. Hence, although adaptation of business processes is occasionally mentioned, there is no definition for adaptation that would clearly focus on the adaptation on a business process level: adaptation of sales and buying processes is not generally defined in research.

The relationship orientation paradigm in business engagement is based on the premise that buyer-supplier relationships can be the source of various forms of competitive advantage for both the buyer and seller (Humphreys et al. 2008). In research, it is noted that developing successful relationships requires certain resources and involvement of both parties, which is why the topic of long-term profitability of relationships becomes relevant (e.g. Dwyer et al. 1987). Not all selling and purchasing situations are appropriate for, or even require the development of long-term buyer-seller relationships, which is why the question of context becomes important (e.g. Kraljic 1983; Dwyer et al. 1987; Rackham & DeVincentis 1998).
Rather than consisting of one process, adaptation between the seller and the buyer entails two processes that are intertwined: intrafirm adaptation and interfirm adaptation. Intrafirm adaptation refers to adaptation within a single organisation, whereas interfirm adaptation occurs as part of the interaction between the organisations. Both the intrafirm and interfirm processes are activated when firms adapt towards their counterpart (Brennan & Turnbull 1999). Although both the seller and buyer firms can be involved in adaptation, in many instances only one party in an exchange relationship actually performs the adaptation (Hallén et al. 1991). The involvement in the adaptation process and contribution of the parties can vary (Brennan & Canning 2002). Whereas some changes might be conducted without the counterpart knowing, others may require some input from, and possible acceptance of, the counterpart. More complex adaptations might require the involvement of both parties (Canning & Brennan 2004).

Adaptation is a concept of central concern in the study of buyer-seller relationships. Adaptation as referred to in this study focuses on adaptation during relationship initiation (Edvardsson et al. 2008): adaptation that occurs during the selling and buying phase of a relationship that is about to be formed. (Thus, adaptation that occurs in existing buyer-seller relationships is not the focus of this study.) However, the buyer-seller setting, in contrast to settings where the buyer and seller are viewed independently, is the primary focus. Furthermore, in contrast to business-to-consumer contexts where adaptation may stronger refer to adjustments on a behavioural level, when moving towards business-to-business contexts the importance of adjustments on a process level become more significant.

Considering the discussion above, in order to study adaptation of the sales process as a whole, i.e. on a process level and involving (or at least reflecting on) the buying process, a more specific definition for adaptation is needed. Firstly, the element of \textit{adjustment} to pre-existing ways of doing things could be included. Secondly, a clear \textit{business process} focus would be helpful. Thirdly, the \textit{context} in which it applies could be stated. Fourthly, in order to take the seller and buyer separately as well as the synergy of both into consideration, \textit{reciprocity} could be included. Fifthly, as adaptation in the context of relationship initiation is mostly conducted to facilitate relationship \textit{initiation}, this could explicitly be stated. Sixthly, as both the seller and buyer are at least to some degree involved in buyer-seller relationship initiation, the buyer-seller \textit{setting} could be explicated. Finally, in order to make a distinction between business-to-consumer and business-to-business context, a focus on \textit{business-to-business} could be included. Summing up these criteria, in this study adaptation in the sales process setting is defined as \textit{adjustments at business process level by one or both parties aiming at initiating business engagement between the buyer and seller}.

Adaptation on sales process level not only requires that the \textit{process is adaptable}, rather also that the seller knows \textit{what to adapt to} (cf. Knoppen et al. 2010). Hence, adaptation of sales process includes both \textit{adaptability} of the process and \textit{knowledge} of what the process is adapted to. Adaptability of the process refers to the extent to which the process is adaptable. Instead of using \textit{formality} of process (cf. Brennan & Turnbull 1999), an adaptability that extends beyond formality is used. Formality could be used for describing how formal or informal the sales process is. A formal sales process can be rigid and inflexible, whereas a sales process with high adaptability, as understood in this study, implicitly requires structure and some level of formality, while also simultaneously allowing for flexibility. In other words, adaptability includes formality (used in the meaning of formalisation) and flexibility. Furthermore, an informal sales process lacks formal structure, which makes modifying it on salesperson level quite
easy. At a sales force level however, an informal sales process, which is not formalised, can prove inflexible and of limited use. Thus, the low adaptability of the sales process, as used in this study, refers to an informal and therefore inflexible sales process.

That there is an overlap between adaptation and learning has been previously noted in research (March 1991; Håkansson et al. 1999). Before the seller can effectively adapt their product offering to meet the needs and requirements of the buyer, the seller has to learn about the buyer’s service requirements (Knoppen et al. 2010). In other words, for the seller to be able to adapt, knowledge regarding what must be adapted is required. What kind of adaptation of the product or service offering would be required must be taken into account in the adaptation of those processes involved: in order to adapt their sales process to the buyer’s buying process, the seller benefits considerably from having knowledge of the buyer’s buying process. The level of knowledge of the buying process can differ and there can be various factors that affect the level of this knowledge. In-depth knowledge is not only the outcome of professionalism on the seller’s side; but is simultaneously affected by the buyer’s involvement. When the seller has an in-depth knowledge of the buyer’s buying process, this could indicate that the buyer’s involvement and interest in relationship initiation and relationship orientation is also high, and the buyer’s willingness to engage in a relationship would also appear to be a high priority (cf. high motivational investment in relationship; Dwyer et al. 1987). In contrast, a low level of knowledge of the buyer’s buying process could indicate that the seller is not conducting sales in a professional manner or that the buyer’s willingness to engage in a relationship is low (cf. low motivational investment in relationship; Dwyer et al. 1987), which leads us to the conclusion that the buyer is not open and communicative regarding their buying process with the seller. In-depth knowledge infers that the seller has high or in-depth knowledge of the buying process in this particular case during relationship initiation. (Conversely, the lower the seller’s knowledge level, the less the seller knows about the buyer’s buying process.) In conclusion, the higher the seller’s knowledge of the buyer’s buying process, the more accurate and effective the adaptation and matching of the sales process to the buying process can become.

2.3. Sales, selling and the sales process

Sales and selling have a long and colourful history that has played an important role in the transformation and development of the modern world (Powers et al. 1987), yet sales remains a relatively unexplored area in scientific research. As pointed out by Sheth and Sharma (2008:261), most sales research concentrates on selection, motivation, compensation, and, to some extent, sales organisations. During the last three decades however, the discipline of business-to-business marketing has grown in importance. Within this domain, personal selling and sales management are emerging as major subtopics of research interest (Sheth & Sharma 2008). Taking this into consideration, it is surprising how little scientific research has been conducted in sales, and especially on the sales process, i.e. the process that guides the sales force in customer acquisition during relationship initiation.

The following section constitutes a literature review on sales. Firstly, the historical developments of the sales function are presented. Secondly, developments of the sales process are presented. Thirdly, sales and the sales process as they are used in this study are defined. The sub-section is concluded with a review of if and how relationship initiation is considered in sales and the sales process.
2.3.1. Developments of the sales function

During the 20th century selling developed dramatically. It has been transformed from an unstructured activity into a managed profession that significantly contributes to the world’s economic growth (cf. Powers, Koehler & Martin 1988). In the 20th century business moved through various eras: the production era, the sales era, and the marketing era (Dawson 1970).

The production era refers to the time from the late nineteenth to the early twentieth centuries, which was dominated by rapid technological development. “In the production-dominated era, the work of the salesman was not held in high regard either by business management or the public at large” (Dawson 1970:34). The personal selling process was perceived as an art, to which scientific analysis could not be applied. The sales job was regarded as one that did not require a high degree of skill or intelligence, which to a certain extent attracted salespersons who would not perform well, or at least not in an ideal way for the selling company. Thus, sales management started emphasising tight supervision and control (Dawson 1970).

The sales era of American business dates from the late 1920s. During the post-World War I years from 1922 to 1929, America’s economy boomed; the population of the USA increased by 12%, whereas industrial productivity doubled. After the financial crash of 1929, the world economy fell into a long and severe depression, from which some countries, notably the USA, did not completely recover until the beginning of World War II. During this era the importance of sales increased amongst top management. The management’s company- and product-oriented views were applied to sales; the salesman’s job was to generate sales. Sales performance was generally measured in terms of sales volume, not in terms of profit or sales margin. Furthermore, sales volume was usually the metrics upon which the success of the salesman and sales manager was measured (Dawson 1970) and rewarded.

After World War II - during the time that Dawson (1970) calls the marketing era - the American economy not only recovered, but also exceeded pre-war levels. The technological developments and enhancements as well as processes, techniques and management style, which had been used during the war, were applied in industrial and business contexts. During this time of mass-production of goods, when the product was a company’s focus, one popular option in a business-to-business context was to establish a sales force (Sheth & Sharma 2008). When supply started to meet the demand, the strategic role of the salesman as a link between the seller and the buyer resulted in the redefinition of the salesman’s work. The new salesman was visualised as a problem solver, a role that often also became key to product differentiation (Dawson 1970). While America already entered the marketing era, most of Europe was lagging behind in the sales era. In contrast to America where business boomed, Europe was still suffering from the aftermaths of the war. The Marshall aid that America provided to Europe helped to rebuild the European economy. The aid facilitated and encouraged Europeans to invest in production to meet demand, and simultaneously the aid fuelled American exports to Europe.

In America, the growth in national accounts came as customers expanded from being local to national entities. Due to the size and homogeneity of the American market as compared to the smaller, heterogeneous markets in Europe, development in national accounts was more clearly visible in American companies. When buyers realised the savings potential that centralised purchasing enabled, the purchasing functions in firms often became centralised (cf. Morgan 1999; Gadde & Håkansson 2001; Axelsson &
Wynstra 2002; Sheth & Sharma 2008). Changing market conditions, over-production, and slower increase in demand required the sales function and local sales forces to adapt to the customers' needs and requirements. Hence, sales forces focusing on the management of national customer accounts emerged. Additionally, more intelligence and reflection was introduced into sales: it became popular to divide the sales force into hunters and farmers (Sheth & Sharma 2008). These concepts quickly gained in popularity and are commonly used in sales textbooks for practitioners and in sales organisations, particularly in the Western world even today.

Using the concept of hunters and farmers has proven an effective and efficient way to divide the sales force based on life cycle of the company and its offering and the personal characteristics of salespersons. However, this division of the sales force once again adopts an inside-out view from the seller's perspective, i.e. it has little to do with the customer's needs. 'Hunter' refers to sales people who are good at acquiring customers for the company, whereas 'farmer' refers to sales people who focus on managing and nurturing (existing) customer relationships. Hunters are often more interested in closing the first deal, after which they prefer moving on to pursue new customers, whereas farmers have the skills, knowledge, and patience that is required for developing a customer relationship into a mutually rewarding and profitable business. Hunters are often appointed as salespersons or sales managers, which is a title that salespeople are increasingly often provided in firms, whereas farmers are generally appointed as (customer) account managers or key account managers.

In addition to the three business eras described by Dawson's (1970), a fourth one, service era, could be added: this would reflect the paradigm shift that has taken place in marketing. According to Sheth and Sharma (2008), the transition from goods-centric to service-centric logic (Vargo & Lush 2004; Grönroos 2006, 2008) has implications for how selling is viewed. The central implication of the developments in marketing and of the service-centric view is the change in perspective, and this also applies in the context of sales (Sheth & Sharma 2008). Furthermore, a service-centric view implies that the product or service offerings be based on the customers' needs and requirements in order to better provide value or enable the creation of value for and by the customers. As pointed out by Grönroos, although "the supplier can become a co-creator of value with its customers", the "customers are the value creators" (Grönroos 2008:298). Additionally, "in the Nordic School reckoning, service logic means that the firm facilitates processes that support customers' value creation" (Grönroos 2006:323). Salespeople's knowledge of customers, their existing solutions, and their needs will become sources of competitive advantage. Hence, service logic has direct implications on the sales function; the seller's knowledge of, and ability to adapt to the customer's processes, especially their buying process becomes of considerable importance in terms of facilitating customer value creation during relationship initiation.

The shift in perspective from goods to services has contributed to the discussion regarding value for the customer. This is an area that is increasingly gaining attention in service marketing research. However, sales research relating to value and sales, and especially to sales processes, is relatively scarce. In other words, the connection between value and the sales process is an area that is relatively unexplored. However, there are some publications for practitioners in this area (e.g. Rackham & DeVincentis 1998). The guidance and input that Rackham and DeVincentis (1998) provide is mainly directed to the salesperson and how he/she should seek to create value for the customer in every step of the personal selling process. In contrast to service marketing literature, in which value creation is considered a strategic and all encompassing concept (cf.
Grönroos & Helle 2010), in sales literature for practitioners, value creation is often regarded a tactical approach to be used for ‘getting the deal signed’.

Technological changes have had an enormous effect on firms and on their sales function. Customer Relationship Management (CRM) systems enable the sales force to plan ahead and to manage their customer accounts in a way that some decades ago seemed unimaginable. The undisputedly biggest impact on selling was caused by the Internet, which in many ways revolutionised selling. The Internet has opened up entirely new communication channels between the seller and the buyer: e-mail correspondence, webpage-based communication, and web-based selling and purchasing (Sheth & Sharma 2008). Modern technologies even enable the customer company’s computer systems to communicate directly with the seller’s systems, performing ordering electronically. Additionally, Internet-based reverse auctions (where the buyer opens a bidding where potential suppliers can place their bids) are becoming increasingly popular method of purchasing. Despite technological developments and sales automation, not all selling can be automated, especially not when these markets are just emerging. It should be noted that the automation of selling and buying is an option in established relationships, but is probably not an option during the phase of relationship initiation between businesses.

In summary, during the last three decades, the discipline of business-to-business marketing has grown in importance. Within this domain, personal selling and sales management have emerged as major subtopics (Sheth & Sharma 2008). Changes that have influenced the area of sales include the shift from products to services, technological developments, and organisational developments. As a result of the above, most companies have in some way been influenced by these developments; with both the selling and buying sides of companies having been influenced.

2.3.2. Conceptualising and defining sales and selling

In literature and colloquial use, ‘sales’ and ‘selling’ are often used interchangeably. Although they can be used interchangeably, distinctions between these two terms can be made. Sales, which is derived from the noun ‘sale’, refers to the overall activity of selling. In contrast, selling is a verb that refers to the act or action of conducting sales work. In other words, sales represents the phenomenon of sales, whereas selling refers to the concrete action of selling: sales work. Furthermore, in terms of abstraction level, sales is on a higher level than selling. Stated otherwise, sales includes selling: i.e. selling is a subset of sales. The concrete action of selling, sales work, forms an integral part of the sales activity.

When referring to the process of activities and actions that the seller conducts when selling, sales process and selling process are often used interchangeably in sales research and literature (cf. Spiro et al. 1977; Spiro & Perreault 1979; Dubinsky 1980/81; Rackham & DeVincentis 1998; Jaramillo & Marshall 2004; Moncrief & Marshall 2005; Cron & DeCarlo 2006; Cummings 2006; Sheth & Sharma 2008; Storbacka, Ryals, Davies & Nenonen 2009). Nevertheless, a distinction between the concepts of the sales process and selling process could be made: whereas the sales process could describe the process of sales and would adopt a strategic point of view, the selling process could describe how sales work is (planned to be) conducted and thus adopt a tactical or even normative view. Furthermore, the sales process could adopt a broader focus, including a sales force and managerial level focus (cf. sales process activities and sales process models, Cron & DeCarlo 2006), whereas the selling process could be reserved for
primarily describing the process of sales work on salesperson level (e.g. Dubinsky 1980/81; Moncrief & Marshall 2005). Thus, being broader in scope, this would mean that the sales process includes the selling process. Sales process and selling process are discussed more in detail in sub-section 2.3.6, where the definition for sales process, as used in this study, is provided.

There are some concepts related to selling that are often used in literature relevant to this study and which therefore deserve some attention. Especially during the age of Internet when electronic selling has become increasingly popular and important, making a distinction between personal selling and non-personal selling is meaningful. Personal selling refers to situations where sales work is conducted by salespeople and the sales teams of a sales force, and where the customer is represented by a buyer or a buying team representing the buyer. Personal selling is critical to the sale of many services and goods, especially when investments are considerable and when focus is on building a long-term relationship with the customer (e.g. Sheth & Sharma 2008). Depending on the sales approach used, personal selling can be viewed as uni-directional or bi-directional activity between the seller and buyer. When viewing selling as a uni-directional communication activity, personal selling can be defined as:

"The personal communication of information to persuade a prospective customer to buy something – a good, service, idea, or something else" (Putrell 1992).

"Positioning of goods or services in the mind of a particular prospective customer" (Brooksbank 1995:63).

According to these definitions, the role of selling is basically considered to be the seller persuading the buyer to buy. This kind of short-term view of business engagement is rather common in traditional or transactional selling. In contrast, when viewing selling as a bi-directional activity where both the seller and buyer are involved, a view that is considerably more relationship oriented, personal selling can been defined as:

"Direct communication between paid representatives and prospects that lead to transactions, customer satisfaction, and profitable relationships" (Cron & DeCarlo 2006:2).

In this definition however, the interaction between the parties, or bi-directional activity, is limited to communication. In addition to communication, other types of interaction can take place between the parties. Thus, the definition could be broadened to include activities and actions.

In contrast to personal selling (which refers to direct and personal interaction), non-personal selling is often conducted by electronic means and no personal interaction between the seller and buyer is needed. Electronic or automated selling systems communicate with the buyer’s automated or electronic ordering systems. In a business context however, personal selling often foregoes automated selling. In other words, the seller may need to conduct the first sale through personal selling; and a transition to non-personal selling may take place in the case of repeat sales, when viewed from the perspective of the seller, or when viewed from the buyer’s perspective, straight rebuy or modified rebuy (Robinson et al. 1967). During the phase of relationship initiation between firms, selling primarily consists of personal selling, whereas selling in an established relationship can be transformed into automated selling (Sheth & Sharma 2008). Personal selling is critical for many companies and with markets becoming increasingly fragmented, the role of personal selling is becoming ever more important (Jaramillo & Marshall 2004). It is believed, that the importance of personal selling will become of overwhelming importance, especially for companies that operate in markets characterised by customised goods and services with relatively long and complex
decision making processes (Brooksbank 1995). For sellers operating in such environments, human interaction between the seller and the buyer is generally of key importance: machines can hardly replace humans.

Another way of categorising sales is through distinguishing between traditional selling (also referred to generally as transactional selling), and consultative selling (Rackham & DeVincentis 1998); a distinction where differences are often related to the complexity of the service, product or solution that is being offered. In other words, this distinction is based on the seller’s view of how easy to understand the product, service or solution is for the buyer. Traditional, or transactional selling generally refers to the selling of standard services, products or commodities which are easy to understand and do not require much explanation. Putting more simply, in the case of transactional selling buyers usually know what they are buying. In contrast to this, consultative selling is often required when selling services and solutions that are complex, new to the buyer or require modification or adaptation (in order to fit the needs and requirements of the buyer).

Yet another distinction that is being increasingly applied in sales is that of the relationship focus, which is often combined with the time horizon: transactional selling tends to adopt a short-term view, whereas relationship selling tends to adopt a long-term view. Transactional selling generally adopts a short-term view upon business engagement between seller and buyer (e.g. Rackham & DeVincentis 1997; Cron & DeCarlo 2006). Furthermore, transactional selling takes the buyer minimally into consideration and the seller pays little attention to the buyer’s needs. Transactional selling, where the focus is on the exchange, is common in situations where there is supply and demand in abundance, which generally results in buying criteria limited to price, quality, and delivery. In contrast to the short-term view in traditional or transactional selling, relationship selling adopts a long-term view on business engagement (Cron & DeCarlo 2006). This involves initiating and developing a continuous business engagement, i.e. a relationship with the buyer. In relationship selling, there is a clear focus on initiating, establishing, and developing long-term co-operation between the seller and buyer (cf. relationship marketing: Berry 1983; Grönroos 1989b).

In summary, using the complexity of the solution as a basis, sales and selling can be categorised into traditional (transactional), or consultative selling (Rackham & DeVincentis 1998) or if based on a relationship focus, into transactional or relationship selling (e.g. Cron & DeCarlo 2006). In my view, it would be clearer to make a distinction between the pairs of viewpoints: ‘traditional vs. consultative’ and ‘transactional vs. relationship’. These form two concept pairings that are not interchangeable; the first focuses on the complexity of the solution, and the second on the relational aspect. When selling a non-complex solution, the seller can either adopt a transactional or relational approach, and the same applies when selling complex solutions. However, stating that traditional selling could be relational would be an oversimplification of these concepts, since traditional selling generally refers to adopting a non-relational approach. In conclusion, the two pairs do not seem to form a logical view, they rather present two views of selling that are interconnected, but not interchangeable.

In contrast to some authors (e.g. Spiro & Perreault 1979; Dubinsky 1980/81; Rackham & DeVincentis 1998; Cron & DeCarlo 2006), a distinction between sales and selling is made in this study: sales represents the phenomenon of sales, whereas selling refers to the concrete action of selling, or sales work. In terms of the level of abstraction, sales is
on a higher level than selling. Hence, sales is defined within the scope of this study as a set of activities and events primarily conducted by the seller’s sales force during relationship initiation with the aim of business engagement with the buyer or prospective customer. In contrast, selling is in this study defined as sales work or actions by salesperson(s) for conducting sales.

With regards to the selling concepts discussed above, the main focus in this study is on personal selling. Primarily novel and complex solutions, which require consultative selling, are referred to. In terms of the time horizon, primarily long-term business engagement is aimed at within the scope of this study, which is why a relational approach in selling, or relationship selling, seems appropriate. Although the seller may use electronic means to support personal sales work that is being conducted, the emphasis in this study is on personal selling that is conducted in consultative manner aiming at establishing long-term supplier-customer relationship with the buyer.

### 2.3.3. Transactional and relationship orientation in selling

In order to understand how the paradigm shift from a transactional to a relationship focus in marketing affects selling, key differences between transactional and relationship-oriented selling are presented in this sub-section. Following this, a connection between relationship orientation, customer-oriented selling and adaptation are proposed. This sub-section concludes with the proposed model, which adopts a portfolio approach on selling.

In general, traditional (transactional) selling focuses on selling products in the short term. Adopting a transactional approach to selling does not mean that a seller would avoid making a serious effort, rather the value of the sales force being mainly in communicating the benefits to the buyer, helping them to make purchase decisions, and facilitating the buying process (e.g. Futrell 1992; Brooksbank 1995; Cron & DeCarlo 2006). In cases where the product is not of strategic importance to the buyer, this type of selling approach can be appropriate. However, some buyers and sellers are finding that this selling model is not appropriate for all customers, in particular not for those considered to be the most important customers (Cron & DeCarlo 2006). This has led to the development of an alternative sales model, the relationship-selling model. This model involves creating customer value (cf. Vargo & Lusch 2004), in terms of facilitating the customer’s value creation (cf. Grönroos 2006, 2008), by addressing key customer problems and uncovering opportunities through a supplier-customer relationship that is considerably more intimate than that seen in traditional (transactional) selling (Cron & DeCarlo 2006). The differences between transactional and relationship selling are shown in Figure 6.
### Transactional selling model vs. Relationship selling model

<table>
<thead>
<tr>
<th>Transactional selling model</th>
<th>Relationship selling model</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Emphasis on sales skills</td>
<td>⇒  • Emphasis on general management skills</td>
</tr>
<tr>
<td>• Responsiveness to customer needs</td>
<td>⇒  • Proactive innovation/ opportunity identification and offers</td>
</tr>
<tr>
<td>• Good products, price, and service</td>
<td>⇒  • Value-based offers/ organisational enablers</td>
</tr>
<tr>
<td>• Narrow customer focus</td>
<td>⇒  • Broadened to customer’s customer</td>
</tr>
<tr>
<td>• Differentiation through products</td>
<td>⇒  • Differentiation through people</td>
</tr>
<tr>
<td>• Sales/ revenue focus</td>
<td>⇒  • Profit management focus/ share of customers</td>
</tr>
<tr>
<td>• Traditional customer relationship</td>
<td>⇒  • Trusted business advisor and partner</td>
</tr>
</tbody>
</table>

**Figure 6 Differences between transactional and relationship selling models (Cron & DeCarlo 2006:7)**

Transactional selling usually adopts a short-term focus, i.e. focuses on exchange or the individual transactions – hence the often-used name transactional selling. In contrast, relationship-oriented selling generally adopts a long-term focus on the business engagement, which stretches beyond a single transaction. Which approach the seller should adopt depends on their type of business and what they aim to achieve. For example when dealing with complex solutions, relationship selling seems more appropriate than transactional selling. The key to successful sales management is to find a strategic balance between transactional and relational selling (Cron & DeCarlo 2006).

In order for the seller to figure out which selling approach is most appropriate in each individual situation, they must take both the seller and buyer and their respective approaches for customer prioritisation and supplier strategy into consideration (Rackham & DeVincentis 1998). On one hand, the seller needs to consider what their company strategy is and have the sales force work accordingly. This assumes that there is a company strategy in place and that the sales force is familiar with it. On the other hand, the seller needs to focus on the potential customers and their approaches and strategies. Focusing on the customer necessitates the adoption of a customer-oriented approach, which will help the seller to better understand the needs of their customers.

According to Saxe & Weitz (1982), customer-oriented selling refers to:

“...the degree to which salespeople practice the marketing concept by trying to help customers make purchase decisions that will satisfy customer needs” (Saxe & Weitz 1982:344).

Customer-oriented selling involves salespeople putting the customer-oriented marketing concept into practice (Saxe & Weitz 1982). When the marketing concept
involves the establishment of long-term relationships with customers (Perreault & McCarthy 2002), developing a customer-oriented selling approach among the sales force may be critical for building long-term buyer-seller relationships (Schwepker Jr. 2003). As the emphasis continues to be placed upon the importance of salespeople to the development of long-term relationships with customers (e.g. Sheth & Sharma 2008), the need for a more profound understanding of customer-oriented selling increases.

Leigh and Marshall (2001) propose that a more in depth understanding of the relationship between a market-oriented, customer-driven firm and the customer orientation of the salesperson is needed. Responding to Leigh & Marshall’s (2001) suggestion, Schwepker Jr. (2003) provides an in-depth review regarding customer-oriented selling. One outcome of the review is that in order to strengthen customer-oriented selling, the sales organisation should take actions to improve salespeople’s commitment to their company.

Previous research reveals that a customer-oriented selling approach appears to help the development of long-term relationships with customers (Schultz & Good 2000). Establishing long-term relationships between the buyer and seller requires the development of trust between the parties (Dwyer et al. 1987). Research on customer trust suggests that it may be related to customer-oriented selling (Schwepker Jr. 2003). Furthermore, as pointed out by Schwepker Jr. (2003:164), a sales approach that involves honesty, integrity, and that has the customer’s best interest in mind, facilitates the development of customer trust - a customer-oriented sales approach does exactly the same thing.

Jaramillo, Grisaffe, Chonko and Roberts (2009) present and discuss the connection between customer orientation and adaptive selling. Customer orientation can be regarded as a more abstract concept that represents an idea or an orientation, but that could also be considered as a strategy. In contrast to customer orientation that can be regarded as focusing conceptually on the well being of the customer, adaptability suggests and entails more actionable behavioural steps (Jaramillo et al. 2009:269). In other words, if customer orientation is regarded as strategy, then adaptation (as in adaptive selling) could be viewed as operationalisation of the strategy. Rather than benefiting from the mind-set of the salesperson, customers benefit from the actions of the salesperson (Jaramillo et al. 2009). Customer focus is linked to adaptation: a customer-focused strategy is more likely to result in adaptive behaviour and actions that benefit the buyer.

Linking above discussions, if relationship orientation is considered as an overall mindset, customer-oriented adaptation could be regarded as a strategy, and adaptive actions (such as adaptive selling) as the operationalisation of the strategy. Simultaneously, this logic would suggest that a transactional orientation is denoted by sellers focusing on themselves and would result in traditional (transactional) selling. As already stated earlier, in terms of time horizon, relationship orientation tends to adopt a long-term view, whereas transactional orientation generally adopts a short-term view of business engagement.

With regard to which approach the seller should use – transactional or relational – the short answer is likely to be - 'it depends': no definite answer can be provided. Appropriate approaches could include either/or, or both. The appropriate choice depends on various factors such as the seller, situation, prospective customers, and what type of business engagement (relational or non-relational) the parties are aiming
for. Hence, if aiming at a short-term business engagement, a transactional approach could be justified, whereas when aiming for long-term business engagement, a relational approach could be more appropriate.

In order to find a balance between transactional and relational approaches, parallels can be drawn with the process of how companies decide on the amount of resources they should allocate for existing customer accounts. One approach that is used for setting account priorities with regards to sales resource allocation is the portfolio model approach. A widely used portfolio method is one that classifies accounts into categories depending on account attractiveness. Account attractiveness, which is often illustrated as a quadruple, is based on two criteria (dimensions): account opportunity and competitive position (e.g. Cron & DeCarlo 2006). Using these criteria, sellers can rate their customers based on an account’s present and projected growth potential, and the selling firm’s current and projected strength in the marketplace. Hence, in the same fashion that sellers use portfolio models to decide on account priorities with concern to existing customer accounts, a similar concept could be applied to decide which sales approach could be most appropriate for each prospective customer account. In the case of established buyer-seller relationships, a portfolio could also include other approaches such as enterprise selling and partnering (Rackham & DeVincentis 1998) in addition to the transactional and relational approaches.

Thus, taking the concepts above into account, in order to ‘get it right’ sellers are encouraged to actively make decisions regarding which approach to adopt. However, in order to adopt a customer-oriented approach, sellers also need to be aware of the buyers’ needs and requirements, as well as the buyer’s criteria for supplier selection (e.g. Ryals & Rogers 2006). In addition to this, knowing the buyer’s future plans and expectations could be of value to the seller’s own decision-making process. By facilitating strategic sales planning and improving resource allocation with regard to potential customer accounts, adopting a portfolio approach to sales could have a considerable effect, both on relationship initiation and sales performance. Furthermore, adopting a portfolio approach could facilitate selective adaptation of the sales approach and the sales process.

2.3.4. Developments of the sales process

In order to develop an understanding of the sales process, both early and more recent developments of the sales process are presented in this section. First the ‘seven steps of selling’ by Dubinsky (1980/81) is presented. This sales process model that emulates the well-known behavioural model AIDA(S) is still widely popular today and continuous to be used in sales. Second, the ‘evolving selling process’ by Moncrief and Marshall (2005) is presented; this is a model that draws from Dubinsky’s (1980/81) previous model and makes the selling process more in tune with contemporary selling. Third, the concept of ‘value-based selling’ as presented by Rackham and DeVincentis (1998) is discussed. To conclude, the need to rethink the sales process and to make it more relationship oriented is discussed.

2.3.4.1. Seven steps of selling

Prior to the existence of formalised sales process models, it was common to use the persuasion model AIDA (Awareness, Interest, Desire, and Action), attributed to E. St. Elmo Lewis in 1898 (Lewis 1908; Strong 1925:76), in order to guide the work of the
sales force (Dunn et al. 1981; Kotler 1999; Sheth & Sharma 2008). It could be said that
the AIDA model was the forerunner of the formalised sales process. Sales people used
the persuasion model to guide them in their personal sales work. Sheldon (1911)
extended the AIDA model with a fifth stage, ‘secure satisfaction’ to emphasise the
importance of continuity and repeat sales, and hereafter, it became known as the
AIDAS model. Surprisingly, the AIDAS model still guides most sales processes as will
be shown below.

Later, when selling became more professionally managed and monitored, non-
formalised sales processes that closely followed the AIDAS model evolved into more
formalised processes such as the ‘seven steps of selling’ model presented by Dubinsky
(1980/81). However, only the first six steps were mentioned in earlier sales literature.
For example, in a sales training book from 1920 titled ‘How to Increase Your Sales’ only
the first six steps of selling are listed: (1) find the prospect, (2) pre-approach, (3)
approach, (4) the demonstration, (5) the argument, and (6) the close (The System
Company 1920:5-20; cf. Moncrief & Marshall 2005:13). This reveals that the seventh
step, (7) follow-up, in Dubinsky’s (1980/81) seven-step sales model is a more recent
addition (Moncrief & Marshall 2005). The seven-step sales process is presented in
Figure 7.

![Figure 7: Seven-step sales process model (Dubinsky 1980/81:32, modified)](image)

The seven steps in the seven-step sales process model by Dubinsky (1980/81:32) are:
(1) prospecting, (2) pre-approach, (3) approach, (4) presentation, (5) overcoming
objections, (6) close, and (7) follow-up. Prospecting refers to finding the customers that
the seller aims to target. This may involve different methods for finding the suitable
customer profiles.

Pre-approach refers to planning and preparation prior to approaching a potential
customer. Approach includes various means of contacting, and perhaps even meeting
the potential customer for preliminary discussion(s). Presentation involves presenting
the concept, solution, product or service to the potential customer. Trials, pilots,
demonstrations and tests are often conducted in this phase of the sales process. Overcoming objections generally occurs in conjunction with sales negotiations,
agreement negotiations, etc. Close refers to closing the sale, i.e. signing the sales
contract. Follow-up is important for retrieving feedback from the customer regarding
the outcome and value of the service received.

The figure above only illustrates the main steps in the process, and is the classic
presentation of Dubinsky’s (1890/81) model: the focus is on the steps or set of
activities. However, the original presentation was far more detailed and normative in
character, practically providing a checklist for salespersons. In fact, Dubinsky’s selling
process model was derived from techniques that salespersons use when selling, which
is illustrated in Figure 8.
Figure 8  Factors underlying techniques used in the personal selling process (Dubinsky 1980/81:32)

This figure summarises the factors underlying the selling techniques in each step of the personal selling process. Step 1 (locating and prospecting for customers) summarises sources and techniques used for identifying and locating potential customers. Step 2 (the pre-approach) focuses on factors related to preparing for the initial approach. Step 3 (the approach) concentrates on the approach selected for the first encounter with the potential customer. Step 4 (the sales presentation) summarises the techniques related to the seller’s presentation. Step 5 (handling objections/sales resistance) portrays techniques for handling the customer’s objections during the selling process. Step 6
(the close) summarises various closing techniques. Step 7 (post-sale follow-up) focuses on the follow-up activities. (Dubinsky 1980/81)

The selling techniques used for identifying and locating potential customers, or prospects, (step 1) are categorised into four factors (sources); two factors represent the techniques used to collect prospects (step 2); four factors characterise the techniques used to approach the prospects (step 3); three factors represent the techniques to used for making sales presentations (step 4); four factors portray the techniques used to overcome a potential customer's objections (step 5); four factors summarise the techniques used for closing a sale (step 6); and three factors describe the techniques used to engage in post-sale follow-up activities (step 7). (Dubinsky 1980/81)

In order to illustrate the connection between the AIDA(S) and the seven steps of selling process models, these have been matched up in Table 3.

<table>
<thead>
<tr>
<th>Prospecting</th>
<th>Awareness</th>
<th>Interest</th>
<th>Desire</th>
<th>Action</th>
<th>Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Approach Approach</td>
<td>Selecting whom to approach</td>
<td>Creating awareness</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Presentation</td>
<td></td>
<td></td>
<td>Creating interest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overcoming objections</td>
<td></td>
<td>Overcoming objections</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Close</td>
<td></td>
<td></td>
<td>Buyer taking action</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Follow-up</td>
<td></td>
<td></td>
<td></td>
<td>Creating satisfaction and basis for future sales</td>
<td></td>
</tr>
</tbody>
</table>

When matching Dubinsky’s seven steps of selling and the AIDAS persuasion process, it becomes apparent that the first step in the seven-step selling model is associated with selecting whom to approach. The second and third steps are associated with creating awareness, the fourth with creating interest, and the fifth with overcoming objections. The sixth step focuses on the buyer taking action, and the seventh with creating satisfaction, and for creating a basis for future sales. (cf. Sheth & Sharma 2008)

Inspired by Dubinsky’s (1980/81) seven-step selling process model, Moncrief and Marshall (2005) proposed an alternate, evolved sales process model. Drawing from transformations that have taken place in the markets, they discuss and point out the need for a more relationship-oriented model. In order to arrive at their evolved model, they use Dubinsky’s (1980/81) seven-step model as the starting point and modify it...
according to the changes that have taken place in selling and sales work. This is summarised in Table 4.

**Table 4  Evolution of the seven steps of selling (Moncrief & Marshall 2005:16)**

<table>
<thead>
<tr>
<th>Traditional seven steps of selling</th>
<th>Transformative factors</th>
<th>Evolved selling process</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Prospecting</td>
<td>Telemarketing</td>
<td>(1) Customer retention and deletion</td>
</tr>
<tr>
<td></td>
<td>Internet selling</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Organisational prospecting</td>
<td></td>
</tr>
<tr>
<td>(2) Preapproach</td>
<td>Laptop account data</td>
<td>(2) Database and knowledge management</td>
</tr>
<tr>
<td></td>
<td>Support staff</td>
<td></td>
</tr>
<tr>
<td>(3) Approach</td>
<td>Build a foundation</td>
<td>(3) Nurturing the relationship (relationship selling)</td>
</tr>
<tr>
<td>(4) Presentation</td>
<td>PowerPoint/ multimedia</td>
<td>(4) Marketing the product</td>
</tr>
<tr>
<td></td>
<td>Listening</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Team selling</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Multiple calls</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Value-added</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Buying centres</td>
<td></td>
</tr>
<tr>
<td>(5) Overcoming objections</td>
<td>Predetermined needs</td>
<td>(5) Problem solving</td>
</tr>
<tr>
<td>(6) Close</td>
<td>Identifying mutual goals</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Adding value/ satisfying needs</td>
<td></td>
</tr>
<tr>
<td>(7) Follow-up</td>
<td>Increased effectiveness of communication through technology</td>
<td>(7) Customer relationship maintenance</td>
</tr>
</tbody>
</table>

The main transformations in the traditional sales steps as described by Moncrief and Marshall (2005) are the following: A major change to the first step, **prospecting**, that has occurred is that a salesperson does not necessarily perform the prospecting him/herself; it may in fact be that another function is responsible for that task. When it comes to the second step, **pre-approach**, it is asserted that this is no longer an individual activity, but rather an activity that the base office and other staff can help conduct for the salesperson. The third step, **approach**, refers to building an interpersonal network with the buying firm. Changes to the fourth step, **presentation**, are now more varied. Multiple presentations are often used and the format of presentations has also changed (e.g. from hands on to digital format). Additionally, presentations are often provided by teams rather than by a single salesperson. With regards to the fifth step, **overcoming objections**, the traditional salesperson previously tried to overcome any objections that the customer may have had for not making the purchase, the goal being to move the customer to the close. Today, the salesperson makes a serious attempt to understand what the customer needs and what he/she requires from the product. Changes to the sixth step, **close**, include the fact that sales has moved beyond simply being a short-term physical closure towards being a successful realisation of mutual goals and with the aim of long-term relationships. This naturally assumes that the relationship is mutually profitable. Finally, the seventh step, **follow-up**, has been changed in terms of effectiveness of communication by the use of technology, which has enabled interaction by e-mail, mobile phone, etc. (Moncrief & Marshall 2005).

A major difference between the traditional and evolved sales processes as pointed out by Moncrief and Marshall (2005), is that whereas the steps in the traditional seven-step
selling process are sequential and the salesperson is assumed to work his/her way through each level, step-by-step, the evolving selling process assumes that the salesperson or sales team will perform the steps in some form, but that the steps do not have to occur for each sales call. This is in contrast to the traditional model, as although the time and effort in any one step may vary, the traditional model requires that every step occur in every sale. Another considerable difference between the models is that whereas in the traditional model it is the salesperson that performs the steps, in the evolved model it is recognised that several persons within the selling organisation can perform the steps. Furthermore, the sequence of the steps does not have to be given, but they can change case by case. According to Moncrief and Marshall (2005:18), “overreliance on the traditional seven steps today may be counterproductive for many sales organisations”, and the reason for this is that “the traditional steps lack a customer orientation”. In other words, the steps in the traditional model imply simplicity and some degree of certainty of progress in the sales process, and an assumption that completing the steps will (semi-) automatically lead to business engagement. Not only is such an overly simplistic view of selling a sign of ignorance towards the buyer, it can also hinder relationship initiation between the seller and buyer (cf. Moncrief & Marshall 2005).

Even if the traditional model states that every step of the processes is performed, the evolved model recognises that there are cases where not every step of the sales process occurs (Moncrief & Marshall 2005). For example, if buyer-seller interaction is initiated by the buyer instead of by the seller, then the seller does not need to conduct the first step (prospecting) and possibly not the second step (pre-approach) either. This does not mean however, that the tasks involved in those steps are not performed at all, rather that instead of being performed by the seller these are perhaps conducted by the buyer. This shows that not only is there a need for a relationship-oriented sales process that better takes the customer into consideration, but also that there is a need for flexibility in the sales process. Furthermore, there is a need for recognising those steps that are basically part of the sales process but which are performed by the buyer.

2.3.4.2. Evolved selling process

While the traditional seven-step sales process model reflects selling on the part of the selling firm, Moncrief and Marshall (2005) propose an alternate model, or evolution, that would better reflect customer-orientation by focusing more on relationship selling, i.e. securing, building, and maintaining long-term relationships with profitable customers. Like the original seven-step sales model, also this modified selling model is also divided into seven steps as illustrated in Figure 9.
The seven steps in Moncrief and Marshall’s (2005:19) modified selling model are: (1) customer retention and deletion, (2) database and knowledge management, (3) nurturing the relationship (relationship selling), (4) marketing the product, (5) problem solving (consultative or solution selling), (6) adding value/satisfying needs, and (7) customer relationship maintenance.

The first step, customer retention and deletion, refers to planning and acting in order to utilise the sales resources as efficiently as possible. The basic premise here is return on time invested into the customer account. Tasks in this step may include finding potential new customers, increasing the sales value of existing customer accounts, outsourcing small accounts to be handled by a partner, or discontinuing unprofitable customer relationships. A generally accepted rule of thumb in business is that 80 percent of sales revenue comes from 20 percent of the customer base. This combined with another widely accepted premise (it is far more demanding to acquire new customers than to sell more to existing customers) provides the conceptual guidelines for the work that is conducted in this phase of the sales process.

The second step, database and knowledge management, refers on the one hand to technology-supported information gathering and pre-validation of the customers, and on the other hand to information gathering as used to help the seller in the positioning of the service/product in order to make it as attractive as possible for the buyer.

In the third step, nurturing the relationship, the target is to create a foundation for a long-term relationship instead of focusing on maximising profit in the short term. Long-term goals prevail and set the pace of the sales work. As Moncrief and Marshall (2005) point out, this often requires firms to change the reward system for their salespeople. In the case where the reward systems are not changed (which in general make salespeople focus on simply closing the next sale), it is unlikely that salespeople will start working towards building long-term relationships with the customers.
The fourth step, marketing the product, proposes that the traditional presentations that the salesman used to conduct are not the main reason for visiting a customer anymore due to technological changes. Today information can be transmitted to a customer by e-mail or through a website for example. The salesman of today is a part of the marketing team, and participates in the segmentation of markets, strategy building and the construction of business cases.

The fifth step, problem solving, adopts a view of the salesperson as a problem solver rather than a persuader. The salesperson of today has to be prepared to solve problems, instead of offering off-the-shelf products. Each customer is unique, and so are his or her needs, when put into the context of the customer. The goal is not to make a quick win, but rather to create a mutually beneficial business: a win-win situation.

Adding value/ satisfying needs, which is the sixth step in the modified selling process, states that overall, the seller must bring added value to the customer. As Moncrief and Marshall (2005:21) state, “Win-win relationships that build on customer satisfaction and added value do not require a closing technique to bring the parties together in agreement”.

The seventh step, customer relationship maintenance, refers to staying in contact with the customer after the first sale. As Moncrief and Marshall (2005) point out, in this respect there is not much difference between the modified sales model and the traditional selling model. The methods may vary, but their essence and the reasoning largely are the same: the goal is to keep the customer satisfied.

Moncrief and Marshall’s (2005) argument clearly conveys a move towards customer-orientation and even towards relationship thinking. They take developments in the modern sales organisation into consideration and include aspects of value thinking and customer orientation into their modified selling process model. Their model clearly includes elements from both the traditional ‘seven steps of selling’ (Dubinsky 1980/81) and from value-based selling (Rackham & DeVincentis 1998). The ‘evolved selling process’ (Moncrief & Marshall 2005) adopts a customer-oriented view with elements of a relationship-selling approach. However, to what extent relationship orientation is considered is not explicated. On a general level, the evolved selling process fulfils the criteria for relationship orientation as is defined in this study. Yet, instead of being a relationship-oriented sales process in a sense that would take both the seller and buyer as well as their processes into consideration thereby expanding on the traditional view that sales processes generally adopt, the evolved selling process still focuses largely on the seller and adopts the salesperson’s point of view. Hence, the model does not completely fulfil the criteria for relationship-oriented sales process as the concept is understood in this study. Although the evolved selling process implies matching the sequence in which the steps in the selling process are concluded with the customer’s situation, the process as whole is not geared, adapted or adjusted to match the buyer’s purchasing process. The evolved selling process is a significant step forward, but in order to arrive at a relationship-oriented sales process, additional work is required on this concept.

2.3.4.3. Value-based selling

Although how value is created and by whom is heavily debated in marketing literature (e.g. Vargo & Lush 2004; Grönroos 2006, 2008), the focus on value-creation is a central aspect of the relationship focus. Recognising the shift in paradigm towards
value-creation and supporting the importance of focusing on value-creation rather than exchange, Sheth and Uslay (2007) conclude that ‘value-for-customer’ rather than exchange may be the more pivotal subject matter in marketing. In this part, value from the perspective of (and as a central aspect in) selling is explored.

One of the basic premises of modern selling is that in order to be successful, the sales force must create value for the customer (Cron & DeCarlo 2006). This approach is commonly known as value-based selling (e.g. Rackham & DeVincentis 1998). Depending on the context, value can be defined in various ways. Referring to creating value to customers in sales, the concept value can be understood as follows:

"Value refers to the perception that the reward exceeds the costs associated with establishing and/or expanding a relationship. Value to a buyer is not always the lowest list price. It may involve the opportunity to save time and labor, or it may result in higher sales of customer's products. Value must ultimately reach the customer's customers in the form of better quality or less expensive products, wider choices, and/or quicker access to those choices." (Cron & DeCarlo 2006:131)

Instead of adopting a traditional approach to selling and the personal selling process, Rackham and DeVincentis (1998) present a value-based selling approach. At this point however, I feel it necessary to point out that since Rackham and DeVincentis’ (1998) work is targeted primarily at business practitioners (and does not include references or citations), it is not possible to determine the earlier origins of their value-based selling model.

In value-based selling, the seller should seek to provide value to the buyer throughout the sales and buying processes. Rackham and DeVincentis (1998) present how a seller may provide value to the buyer in what they describe as transactional selling, consultative selling and enterprise selling. They propose that the seller follows the buyer and seeks to provide valuable input to the buyer throughout the purchasing process.

"It’s horribly typical of the way that sales organisations create steps or milestones in their individual sales process. Certainly any series of steps – even these [refer to a typical sales process model] - puts some light in the tunnel, and, if it results in more efficient selling, it adds some value to the transactional sale. But in the consultative sale, the lights won’t lead in the right direction unless the sales process is designed to allow the salespeople to create customer value" (Rackham & DeVincentis 1998:215).

In other words, the traditional view of dividing the sales process into steps in a way that fits the selling firm’s interests may be appropriate in transactional selling, but that this is not an approach recommended for adopting in conjunction with consultative selling.

How value can be created

In order to exemplify how value can be created in the various steps of the sales process, Rackham and DeVincentis (1998) presented three emerging sales modes. They present the first two modes (transactional and consultative selling) by using a fairly standard five-step buying process model, consisting of the steps: (1) recognition of needs, (2) evaluation of options, (3) resolution of concerns, (4) purchase, and (5) implementation. In the first sales mode, transactional selling, the seller’s possibility to add value is restricted to achieving step four (purchase) as painless, convenient and easy as possible for the buyer. In the second mode, consultative selling, during the buying process the “seller can create most value early in the process by helping customers define needs and solutions” (Rackham & DeVincentis 1998:74). Here the seller also has possibilities to create value to the buyer in the second, third and fifth step of the buying process. From
a relational perspective, the perhaps most interesting sales mode is the third one, enterprise selling, which however, is primarily appropriate for very large enterprise sales and strategic business-to-business selling.

In contrast to transactional and consultative selling, in enterprise selling the ‘selling’ or co-operation between the parties takes place at a high strategic level and the two parties do not act as supplier and customer, but rather as business equals (Rackham & DeVincentis 1998). In enterprise selling, rather than stating what a sales process could look like, Rackham and DeVincentis (1998) propose a conceptual approach, instructing the seller and especially the salesperson in how to create value for the buyer. In contrast to transactional and consultative selling, where the seller is closely following the purchasing process, the situation is different in enterprise selling. In fact, the process for initiating a sale is very different from transactional or consultative selling; instead of following a separate sales and buying processes, in enterprise selling, the seller and buyer follow a common process during relationship initiation (cf. relationship initiation process: Aarikka-Stenroos & Halinen 2007; Edvardsson et al. 2008). Although the relationship initiation occurs between two firms, they act as equals and have a common goal. Thus, in this type of selling and buying, which can be considered to more of a co-operation between the parties for mutual business engagement instead of a sales (or purchasing) process model, traditional selling and buying processes are not applicable. An activity-based strategic process model is presented below, as illustrated in Figure 10.

![Figure 10 Adding value to an enterprise sale (Rackham & DeVincentis 1998:76)](image)

In the activity-based strategic process, selling and buying commences at a high strategic level (in terms of decision-making in the organisations) and progresses through a series of exploratory steps, and instead of acting as seller and buyer the parties act as partners and business equals (Rackham & DeVincentis 1998:76). In the first step, **setting strategy and agenda**, the seller has the possibility to influence and improve the buyer’s strategic agenda. In step two, **identifying execution gaps**, the seller can offer insight into gaps and opportunities for the buyer. In the third step, **exploring relationship feasibility**, the seller can provide resources for exploring the benefits and costs of a high impact relationship. In the fourth step, **creating joint vision**, the seller can act as a business equal, and can set up the goal, metrics, and guidance systems for a possible relationship. In the fifth step, **initiating enterprise relationship**, the seller can invest resources to ensure early successes. (Rackham & DeVincentis 1998)

Although the enterprise selling process model includes certain milestones and stages, the process is primarily conceptual and is probably not intended as such for salespersons, but is rather intended for managerial use. Since the process does not (nor...
is it intended to) portray the process of selling, instead it forms a conceptual framework, which could be difficult to use as a process model for guiding the sales force in its sales work. Nevertheless, the process model visualises relationship (or business) initiation on strategic level, e.g. business initiation between two firms that are exploring the setting up of a joint venture.

**Process for creating value**

Rather than actually presenting a selling process (cf. Dubinsky 1980/81; Moncrief & Marshall 2005), as part of their value-based selling approach, Rackham and DeVincentis (1998) are proposing what could be described as ‘a process within a process’: they propose a process for creating value in each step of a (traditional) selling process. For example, they propose a three-step process that could replace or perhaps fragment the prospecting process – the first phase in the traditional ‘seven steps of selling’ process (Dubinsky 1980/81) – into sub-steps. The purpose of their *value identification process* (VIP) is to “allow salespeople to identify potential areas of value creation” (Rackham & DeVincentis 1998:215). The value identification process consists of three steps: (1) segmentation, (2) value targeting, and (3) value actioning, as is illustrated in Figure 11.

![Figure 11 Value identification process (Rackham & DeVincentis 1998:217)](image)

In the first step, *segmentation*, the salesperson segments and prioritises the potential customers based on how much value they can add for the customers. During this phase, the salesperson optimally creates a ‘hypothesis’: a clear idea or concept of their value proposition to their potential customer(s).

The second step, *value targeting*, refers to the selection of those potential customers who would benefit the most from the value proposition – so called ‘low hanging fruit’. The analogy here is that the prospective customers that are likely to benefit the most from the sellers service, should be more interested in buying what the seller has to offer, thus the seller should prioritise these prospects. In this phase, the salesperson validates the sales pipeline, i.e. qualifies the potential customers based on their likelihood to make a purchase.

The third and last step, *value actioning*, refers to turning the hypothesis into action, i.e. once the value proposition has been developed, and the customers who would benefit most from the offering are validated, the seller approaches them.

To recap, what Rackham and DeVincentis (1998) are proposing is a rethinking of selling and changing this mindset. The change that they bring about could result in a mindset that focuses on creating value for the customer (‘value co-creation’; e.g. Prahalad & Ramaswamy 2004a, 2004b), or enabling the customer’s value-creation (as the customer is the value creator, Grönroos 2008:305), which in marketing is generally referred to as ‘value-in-use’ (e.g. Holbrook 1994; Woodruff & Gardial 1996; Prahalad 2004). The value-based selling approach provides an important message and recommendation for the seller: that they should focus on creating value (or facilitating
value creation) for the buyer. This is a clear sign of relationship orientation, provided that value-based selling is not merely applied as a short-term sales tactic in order to expedite closure. Whether the sales force is prepared to embrace the mindset of value facilitation as part of their relationship focus, or if they rather exploit value-based selling as tactics in order to maximise short-term gain depends on factors including corporate involvement, sales management, management control, reward systems & compensation schemes, etc. The putting of this concept into practice boils down to honesty and focusing on a win-win scenario in every level within and between companies.

Dubinsky’s (1980/81) seven-step selling process presents a formalised and quite rigid personal selling process model. In contrast, Moncrief and Marshall’s (2005) evolved selling process, which is based on Dubinsky’s model, is likewise intended for salespersons, but encourages to some level of flexibility with regards to the steps. For example, the sequence of the steps may vary case by case. This is a significant step towards customer orientation, yet it does not quite qualify as a relationship-oriented sales process as is understood in this study. In addition to differentiating between transactional, consultative and enterprise selling, Rackham and DeVincentis (1998) advocate value-creation (or facilitation) throughout the ‘selling process’: i.e. following the buying process. Through identifying various selling modes and by encouraging salespersons to monitor the buyer’s purchasing process closely, their approach implies adaptation and adaptive behaviour, yet they do not explain or pursue this further. Additionally, in spite of the fact that modern selling in a business-to-business context is rarely conducted by one salesperson alone, the reviewed sales processes primarily adopt the perspective of the salesperson. In other words, it seems that the widely favoured understanding in marketing and sales that relationship orientation should permeate all levels in a company is not yet visible in sales processes.

2.3.5. Role of the sales process

In this sub-section, the role of the sales process in today’s world is discussed. Topics that are explained include: changes in today’s business environment; the increasing movement towards consultative selling; sales force automation, and the effects that these concepts have on sales and selling.

The seven steps of selling model (Dubinsky 1980/81) is a widely used sales process model. This type of model is perhaps the oldest paradigm in the sales discipline (Moncrief & Marshall 2005). And, to this day, this type of sales process model is still the most commonly used model of this type in business.

When constructing their modified selling model (which is an enhancement of the traditional seven-step model), Moncrief and Marshall (2005) made an effort to take the changes in today’s business environment into consideration. Technological advancements and the Internet have had a considerable impact on the communication and interaction between the seller and the buyer in most industries. Therefore, during the early stages of relationship initiation, Moncrief and Marshall (2005) predict a partial decrease in direct communication between the seller and the buyer. Dickie and Trailer (2007) foresee a similar development and they state that as an effect of the increased Internet-based search that buyers carry out during the early stages of the buying process, the process may well be on its way long before the sales managers become aware of it. As a result, rather than the seller being the party who conducts the first step(s) of the sales process (such as pre-approach and approach), it may in fact be
the buyer who conducts the first step(s). In other words, the first step(s) may shift from
the sales process to the buying process.

The effects that technological advancement, especially when coupled with the effects
that the change from a transaction-based to a relationship based view in marketing will
have on the sales organisation is recognised and elaborated upon by Sheth and Sharma
(2008). As marketing is undergoing a paradigmatic shift that includes a change of view
from exchange of products to providing services (Grönroos 1979; Vargo & Lush 2004;
Grönroos 2006, 2008), this will have an effect on sales (cf. Long et al. 2007) and the
sales organisation. According to Sheth and Sharma (2008), this shift will cause the
sales organisation to evolve in two directions: (1) the increasing use of technology will
reduce some traditional sales functions; and (2) customers who are important to the
sellers will experience an increase in the quality of customer contacts by the seller. The
latter case will be visible in industries of higher degree of complexity where consultative
selling is required: “sales persons will become education agents where they once were
persuasion agents” (Sheth & Sharma 2008:263).

Although the changes that are taking place through sales automation are dramatic,
Sheth and Sharma (2008) point out that not all sales processes and personal selling
interaction can be automated. Simple routine tasks can be automated; whereas more
complex, situationally anchored and customer-focused tasks are likely to require more
personal involvement and engagement from the sales force. Hence, future
developments may involve a redistribution of the sales force; i.e. a decrease in the
product-focused sales force, and an increase in the customer-focused sales force.

According to Sheth and Sharma (2008), however, the shift from traditional selling
towards consultative selling will lead to steps in the selling process that are oriented
towards problem identification, presentation of solutions, and continued customer
support. They predict that the consultative selling process will also lead to the end of
the seven steps of selling. Furthermore, the applicability of traditional sales process
models that adopt a transaction-oriented view on selling is questioned: “in today’s
sophisticated consultative sale there’s no longer a place for the old process that is
designed exclusively from the point of view of the sales organization” (Rackham &

That consensus regarding that the traditional sales process may not be applicable for all
types of selling by no means implies that there would not be a need for a sales process -
to the contrary. The results of a study that involved 1275 companies reveal that:

“Less than half have a formal sales process; of the 45 percent that do, only 45 percent of those
actually monitor the processes in place to make sure they are helping the company sell better.”
and “That is not good when you consider that ‘ninety percent of sales organizations that follow a
structured process have improved overall sales results” (Cummings 2006:12).

The findings of the study reveal that relatively few companies understand the value of
the sales process. Furthermore, the findings show that companies that take a more
formal approach to the process of selling have better sales results than those that
choose a less formal approach. It is important to develop and apply a sales process that
is appropriate for the type of selling that the company conducts. Moreover, successful
companies monitor if the process actually helps them in selling. It’s only a few
companies are actively using, monitoring and developing their sales processes, perhaps
the concept of a sales process is not a properly understood:

“Part of the problem may be mistaking automated programs – such as sales force automation
(SFA), or SFA-like customer relationship management systems – for processes”, and “some
Although this statement could be considered an appeal for some level of formalisation of the sales process, simply deploying a formal process - such as an SFA system - and expecting this to make selling more effective and efficient is likely to result in disappointment. Instead of relying on one type of sales process, different sales approaches may require customised sales processes. Not only does the seller have to pay attention to how the sales process should be constructed, but the seller should also consider how the process should be introduced to the organisation. In order for a sales process to become effective, it has to be supported across the organisation (Cummings 2006). As pointed out by Jaramillo and Marshall (2004), many of the variables that influence sales performance are individual characteristics of sales people that are beyond direct management control. However, management directly controls how salespeople are trained and developed, thus, by designing and implementing appropriate training programs, sales managers may increase the performance of their sales force (Jaramillo & Marshall 2004). In other words, for a sales process to become effective across an organisation, the first thing that is required is management-level attention and ‘buy-in’.

In summary, it seems quite clear that in today’s organisations, the sales process plays an especially important role. However, it appears that a static and inflexible sales process is not a way forward. Thus, the question is not if the sales process would benefit from rethinking it, but rather how this should be conducted. Questions that are yet to be answered include: ‘what should the sales process look like’; ‘what criteria should it meet’; and ‘how does one arrive at these criteria’.

### 2.3.6. Defining the sales process

As the previous discussion reveals, the sales process is generally considered from the seller’s perspective and the view that is generally adopted is that of the salesperson. By having their roots in the AIDA(S) model, which describes the behavioural process on individual level, it is understandable that most selling process models adopt a view similar to that of a salesperson. Despite the multitude of existing sales process models, few definitions of the actual sales or selling process are available. Rather than providing a definition, Dubinsky (1980/81) describes the personal selling process as a set of steps that a salesperson may pass through when making a sale. The salesperson may employ different selling techniques for each step, with the selected technique depending on the offering as well as the customer involved in the sale. Criticising the selling-firm centric sales orientation of Dubinsky’s (1980/81) selling process model, Sheth and Sharma (2005) emphasise the importance of relationship orientation. Part of their criticism is directed at this lack of guidelines for relationship orientation: the selling process simply assumes that the salesperson and others within the company perform steps in the process with the focus in each step being on the customer. Furthermore, they point out that instead of each step being carried out on every sales call, the steps occur over time and nonsequentially (Sheth & Sharma 2008).

In contrast to how the sales process is usually described (e.g. Dubinsky 1981; Moncrief & Marshall 2005), Cron & DeCarlo (2006) take a slightly different approach and discuss it from the point of view of sales process activities:

“Sales process activities consist of all the activities needed to serve a customer properly” (Cron & DeCarlo 2006:41).
They divide sales process activities into four categories: interest creation, pre-purchase, purchase, and post-purchase, pointing out that “these activities roughly mirror the selling cycle” (Cron & DeCarlo 2006:41). The first category, interest creation, includes all of the ways in which the potential customer can learn about the benefits of the product and company. More specifically, interest creation involves: prospecting, generating leads, creating awareness and interest; and providing information about the products and services. During the second category, pre-purchase, customers are actively considering and evaluating competitive product offerings. This phase includes activities such as explaining features and benefits, qualifying prospects, assessing customer needs, problem solving, and demonstrating capabilities. The third category, purchasing, includes activities such as negotiating, bidding, finalising terms and conditions, and writing proposals. The fourth category, post-purchase, includes: delivery, installation, services, addressing post-purchase questions, presenting new features, and collecting payment. In general, like most sales process models, this categorisation closely mirrors the AIDA(S) model.

Contrary to how sales process models are usually understood (e.g. Dubinsky 1980/81; Moncrief & Marshall 2005; Sheth & Sharma 2008), Cron and DeCarlo (2006:108), consider that the sales process models “focus on where the opportunity is currently classified in the selling process”. What they define as a sales process model is generally referred to as the ‘sales funnel’ or ‘sales pipeline’, which provide a ‘snap-shot’ of where in the sales process the prospective buyers and potential deals currently are. In the sales funnel and sales pipeline, sales opportunities are usually assigned to stages of the sales process based on the probability that these will result in a sale. In fact, Cron and DeCarlo (2006) state that the sales funnel is an example of a selling process model. This demonstrates how interchangeably the terms sales process and selling process in sales are used.

Referring to the previous discussion, in this study the sales process is viewed as a system of elements containing activities and actions. Being viewed as a system refers to that the activities and actions are not random, but rather occur in an order, which however is not always pre-defined, and can be modified. The elements contain activities and actions, which may be divided into steps in the process. Furthermore, the aim of conducting the activities and actions is mutual business engagement, which is why both the seller and buyer are considered. Although the buyer may in some cases conduct some of the activities and actions or steps on behalf of the seller, it is primarily the seller (salesperson, sales team, sales force or selling firm) that conducts them. When specifically referring to the sales work of a salesperson that relates to a sales process (i.e. sales process on salesperson level), a selling process or personal selling process is used. Overall, the sales process is viewed as contributing to, and being part of relationship initiation (cf. Aarikka-Stenroos & Halinen 2007). Hence, closely mirroring the definition of buying process as used in this study, the sales process is defined as a system of elements containing a series of activities and actions, or steps, primarily conducted by the seller, aiming for business engagement between the buyer and seller.

2.3.7. Relationship orientation of sales process

Surprisingly little sales literature provides a real insight into relationship initiation on the sales process level. However, there are numerous studies and literature for practitioners that provide guidance to the seller for conducting sales work. A search [conducted 16.02.2009, 17:35 CET] in the Amazon online bookstore (www.amazon.com, the world’s largest bookstore) revealed that by using the search
word ‘sales’ 660,496 books were found. When using ‘sales’ and ‘relationship’ the number of hits was reduced to 7,624. Using ‘sales’ and ‘relationship initiation’ made the number shrink to 33 hits. Finally, using ‘sales process’ and ‘relationship initiation’ further reduced the number of hits to only 7; of which the first one (Eades 2003) deals with solution selling on personal level, the second (Miller 2003) with adapting one’s personal selling style to better fit the buyer, whereas the rest of the books listed deal with everything from process safety to personal relationship problems, which is irrelevant to this study. Another search [conducted 16.02.2009, 18:05 CET] using the search words ‘sales process’ and ‘relationship formation’ provided a similar result; the number of hits being only 19, but the only book discovered with some relevance to my study (Webb & Gorman 2006) deals with methods for how to align the sales and marketing functions within a firm. This search shows that although the seller is one of the two contributors to relationship initiation between businesses (the other party being the buyer), the sales process is not regarded as forming an integral part of relationship initiation.

In general, sales literature is written for business practitioners. Thus, most sales literature applies a normative approach and concentrates on providing suggestions regarding how to conduct sales. Instead of being relationship oriented, sales literature usually concentrates on proposing ways for overcoming objections from the buyer or on providing recommendations regarding how to speed up the closing of a sale. Sales literature in general does not focus on the buyer or relationship. The majority of sales literature focuses on providing tips and tricks that salespersons can apply to their sales work or that sales managers can adopt when managing a sales force (e.g. Goldmann 2002; Holden 2002).

Sales literature for practitioners often regards it important that the seller builds a personal relationship with the buyer (get to know the names of the buyers spouse, children, and dog; learn about the buyer’s hobbies; and become friends with the buyer, etc.). The logic behind this thinking is that the seller could then use the personal relationship in business as leverage: taking advantage of, and benefit from their friendship. Once a (personal) relationship is established, it forms an exit barrier for the buyer: sellers often rely on the concept that a personal relationship inhibits the buyer from terminating the supplier relationship. On one hand, the buyer has invested in the relationship, which, possible due to high cost of switching supplier, may hinder the buyer from terminating the buyer-supplier relationship. On the other hand (and more importantly), the buyer could feel a moral obligation towards the seller to continue the relationship. Moreover, the relationship is intended to form an entry barrier for the supplier’s competitors and hinder them from entering into discussions with the customer. Viewing the relationship focus merely as a tool for closing the deal and ‘trapping’ the customer is not what relationship orientation concerns, as is referred to in this study. Authors who provide such advice are deliberately misusing the concept of the relationship, transforming it from an intended win-win situation into a tool for manipulation. Such ‘relationship selling’ is in fact a form of disguised transactional selling.

In their value-based selling approach, Rackham and DeVincentis (1998) focus on the value aspect and on guiding the salesperson in how to create value for the buyer in every step of the selling process. However, their proposal to focus on value is not primarily based on relationship orientation, rather on relationship selling. The seller is urged to focus on value-creation in order to better position himself/ herself in the buying process. Hence, the recommendation in transactional and consultative selling is that the purchasing process ought to be followed. Rackham and DeVincentis (1998)
provide valuable guidance and suggestions for salespersons concerning how to improve their selling approach and make it more customer-oriented. In contrast to the transactional and consultative selling modes, the enterprise sales mode (in which sales and purchasing occur on a high strategic level between the seller and the buyer), clearly adopts a relationship-oriented view upon initiating business engagement between the parties. As a result, this is a considerable step towards the relationship orientation of the sales process. However, this is not presented as relationship orientation of the sales process model, but rather Rackham and DeVincentis (1998) focus on value-creation with their value identification process. Additionally, instead of presenting a process model that could be used for various selling modes, the enterprise-selling mode is mainly reserved for sales between very large enterprises and for strategic business engagement such as joint ventures. Consequently, it can be understood that Rackham and DeVincentis’ (1998) contribution to modernising selling is considerable, and that they are proponents for stronger customer orientation within sales on all levels, from salesperson level to sales force, sales process, and organisation levels.

Moncrief and Marshall (2005) adopt a customer relationship view from the seller’s perspective. In comparison to the original seven-step sales process model, their

"[...] evolved selling process adopts more of a customer orientation in which the focus is on relationship selling – that is, securing, building, and maintaining long-term relationships with profitable companies" (Moncrief & Marshall 2005:13).

Although the evolving selling process is, to the best of my knowledge, the first serious attempt to construct a relationship-oriented selling process, this model is not likely to replace the traditional seven steps of selling model (cf. Moncrief & Marshall 2005). Rather than constituting a replacement for the traditional seven steps of selling process (Dubinsky 1980/81), the evolved selling process (Moncrief & Marshall 2005) proposes an alternative for companies that adopt a customer-oriented sales approach. However, neither of the models seems to take the buying process into consideration (cf. Comer 1991; Rackham & DeVincentis 1998).

When comparing the seven steps of selling model (Dubinsky 1980/81), value-based selling (Rackham & DeVincentis 1998), and evolving selling process (Moncrief & Marshall 2005), some differences become visible. Although all of these models describe the occurrence of selling, each one of them takes a different approach. The seven-step sales model by Dubinsky (1980/81) has a very strong process focus with a clear inside-out view from the seller’s perspective. In contrast, the value-based selling model by Rackham and DeVincentis (2005) focuses on the salesperson and how he/she should focus on creating value or enabling the customer to create value throughout the selling process. This is not a relationship-oriented process model as such, because instead of focusing on the relationship, it urges the salesperson to consider what will be required in order to achieve a relationship with the buyer and to operationalise that into each step of the sales process. Rackham and DeVincentis (1998) urge the salesperson to get acquainted with the buying process and to create value for the customer during the process, hence, they do not propose a sales process model. Although value-based selling can function as an effective sales tactic on a salesperson level, it can prove difficult to adopt on process level. In summary, their process model does not seem to adopt a relationship focus, rather a seller focus. At first, with regards to relationship initiation, the evolving selling model by Moncrief and Marshall (2005) seems somewhat similar to the traditional seven-steps of selling model (Dubinsky 1980/81). (In fact, it is an evolved version of the traditional model, as already discussed.) However, the fact that the evolved process model includes relationship thinking, although limited to an inside-out view from the seller’s perspective, is a significant step towards relationship
orientation. Moreover, that the process may start and stop at various phases depending on the situation (referred to as a ‘revolving’ approach) is an important finding. Similar to the value-based selling model, the evolving selling process model also faces a challenge: these models are not designed to help the sales manager with managing and guiding the sales force or keeping track of the sales pipeline, which are arguably important functions of a sales process. A sales process, as used in this study is, after all, a concept intended to constitute a formalised view of selling.

Compared to other models, the seven-steps-of-selling model (Dubinsky 1980/81) offers some advantages: it presents a clear process structure and formalisation of sales work. However, the flexible structure of the evolving selling model (Moncrief & Marshall 2005), can make following, monitoring and planning the sales progress in customer accounts challenging, especially when combined with the focus on a salesperson level. Rather than presenting a formalised sales process, the value-based selling model (Rackham & DeVincentis 1998) taps into the buyer’s purchasing process. When adopting the evolving selling model or value-based selling model, it could be difficult for the sales manager to keep track of the sales force and to monitor sales progress.

Adopting an inside-out view, from the seller’s perspective, upon the selling firm’s process, the seven steps of selling model (Dubinsky 1980/81) reveals that simultaneously as the selling company provides clear guidance for its sales force concerning how sales is to be conducted within the company, it also sets boundaries for relationship orientation through adaptation. The traditional sales process does not display the built-in flexibility, which would enable relationship orientation of the sales process through adaptation. In this respect, the evolving selling process (Moncrief & Marshall 2005) constitutes a considerable step towards relationship orientation. If the seven-steps-of-selling model represents one end of the flexibility dimension, then the concept of value-based selling (Rackham & DeVincentis 1998) represents the other. In the case of transactional and consultative selling modes, these approaches provide no formalised structure that would constitute a sales process, nor do they set any boundaries. In other words, these modes provide simultaneously informal and highly flexible approaches to selling. Hence, although Rackham and DeVincentis (1998) provide advice and suggestions that can be applied by salespersons, how the advice could be applied on a sales force and sales process level is unclear. Unless stated otherwise, the lack of formalisation of the sales process comes at the cost of the ability to adopt the sales process on a sales force level. In order to be easily adaptable, the sales process should be flexible. Being flexible could be considered as being non-formalised, which could be a reason for why Rackham and DeVincentis (1998) choose not to present a formalised sales process model.

Sales literature in general still adopts more of a transaction-oriented rather than a relationship-oriented approach to the sales process. Based on the review of sales literature, most of the literature adopts a narrow and one-sided view from the seller’s perspective. In general, the relationship approach, when mentioned, is merely seen as a tool to facilitate closing the deal. However, aspects of customer relationship orientation and value creation have recently been included in the sales process models (e.g. Rackham & DeVincentis 1998; Moncrief & Marshall 2005). In spite of this, it seems that sales process models do not adopt a relationship-oriented view of sales on a process level. Since the sales process represents one of two processes (the second one being the buyer’s buying process) with the aim of establishing mutual business engagement, this should be visible and reflected in the sales process. The adoption of a relationship-oriented approach should permeate all levels on the seller’s side including individual, departmental, and process level. Hence, there is still a gap remaining in
sales literature with regards to bringing relationship orientation into sales and especially into the sales process. Relationship orientation in sales process context, as understood in this study, would include adaptation of the sales process to match the buyer’s purchasing approach, strategy and process; such adaptation requires adaptability from the sales process. While the structure of the sales process should be formalised, the flexibility required for purposeful adaptation should be maintained.

2.3.8. Summary

In this sub-section key concepts and definitions presented earlier are summarised. These concepts and related definitions include: sales, selling, sales process, and selling process. Additionally, the concepts ‘consultative selling’ and ‘personal selling’ are discussed, together with their role in the empirical setting of this study.

In contrast to using sales and selling interchangeably, a practice that seems common in sales research (cf. Spiro & Perreault 1979; Dubinsky 1980/81; Rackham & DeVincentis 1998; Cron & DeCarlo 2006), a distinction between sales and selling is made in this study: sales represents the phenomenon of sales, whereas selling refers to the concrete action of selling, or sales work. Furthermore, in terms of abstraction level, sales is on a higher level than selling. Hence, sales is defined as a set of activities and events primarily conducted by the seller’s sales force during relationship initiation, with the aim of business engagement with the buyer or prospective customer. In contrast, selling is in this study defined as: sales work or actions by salesperson(s) for conducting sales.

With regards to the selling concepts that were discussed earlier in this section, the main focus in this study is on personal selling. In the mobile telecommunications industry, which is the empirical setting of the case that is studied, small and medium-sized software companies, which aim at initiating business relationships with large mobile telecommunications operators, generally provide solutions that innovative and require a certain technological ecosystem. Such solutions range everywhere from applications on the handset to enhancements to core network solutions. These are often highly innovative and novel solutions that are enabled by technological advancements in the buyer’s ecosystem. The complexity involved, and the fact that these are often novel solutions for the buyer, generally requires a consultative selling approach: that the seller educates the buyer of the advantages and benefits of the solution or service. Due to the uncertainty involved regarding the success and uptake among users, the first orders placed by the buyers are generally relatively small trial orders. This combined with the fact that there are a fairly limited number of potential buyers having a large user base (mobile telecommunications operators or groups of operators), has the effect that the sellers aim almost without exception for long-term business engagement with the buyers. In other words, to achieve a positive return on the investment (ROI) a long-term supplier-customer relationship is pivotal. For this reason, focusing on a relational approach in sales and relationship selling is logical within the scope of this study. Furthermore, although the sellers in this scenario use electronic means in their sales work and communication with the buyers, this does not change the fact that sellers almost exclusively rely on personal selling, which is conducted in a consultative manner, when aiming at establishing long-term supplier-customer relationship with the buyer.

Likewise, as stated earlier, when referring to the process of activities and actions that the seller conducts when selling, the terms ‘sales process’ and ‘selling process’ are often
used interchangeably in sales research and literature (cf. Spiro & Perreault 1979; Dubinsky 1980/81; Rackham & DeVincentis 1998; Jaramillo & Marshall 2004; Moncrief & Marshall 2005; Cron & DeCarlo 2006; Cummings 2006; Sheth & Sharma 2008; Storbacka et al. 2009). In this study, a distinction between the sales process and the selling process is proposed: whereas sales process could describe the high-level process of sales and would adopt a strategic point of view, selling process could describe how practical sales work is (to be) conducted and thus adopts a tactical or even normative view. Furthermore, the term sales process could adopt a broader focus, including a sales force and managerial level focus (cf. sales process activities and sales process models: Cron & DeCarlo 2006), whereas the term selling process could be reserved primarily for describing the process of sales work at a salesperson level (e.g. Dubinsky 1980/81; Moncrief & Marshall 2005). Thus, being broader in scope, this would mean that the sales process includes the selling process.

Referring to the discussion in earlier parts of this section, in this study, the sales process is viewed as a system of elements containing activities and actions. Being viewed as a system infers to that these activities and actions are not random, rather that they occur in a certain order, which is not always pre-defined, and can be modified. The elements contain activities and actions, which may be divided into steps in the process. Furthermore, the aim of conducting these activities and actions is mutual business engagement, which is why both the seller and buyer must be considered. Although the buyer in some cases may conduct some of the activities and actions (or steps) on behalf of the seller (for example when a mobile telecommunications operator submits a request for information [RFI] to potential suppliers, thereby conducting the first two or three steps of the seven steps of the selling process: prospecting, pre-approach, and approach), the activities and actions are primarily conducted by the seller, i.e. salesperson, sales team, sales force or firm. When specifically referring to the sales work of a salesperson that relates to sales process, i.e. sales process on a salesperson level, the terms selling process or personal selling process is used. Overall, the sales process is viewed as contributing to, and being part of relationship initiation (cf. Aarikka-Stenroos & Halinen 2007). Hence, while closely mirroring the definition of buying process as is used in this study, sales process is defined as a system of elements containing series of activities and actions or steps that are primarily conducted by the seller, with the aim of initiating business engagement between the buyer and seller.

2.4. Purchasing and the buying process

During the past decade, purchasing in a business context has gone through considerable development – from being an unstructured and non-strategic function to becoming a structured and strategic function in companies. Traditional purchasing and logistics functions have evolved into strategic supply chain management (Tan 2001).

This section constitutes a literature review of purchasing and the buying process. First, developments of the purchasing function are presented. Second, relationship orientation within purchasing is explored and third, the buying process is studied more in detail. The section is concluded with a review of whether and how relationship orientation is considered in the buying process.
2.4.1. Developments in purchasing

In this sub-section, I will describe developments in purchasing. In the first part, a presentation of historical developments in purchasing is provided. In the second part, the conceptualisation and definition of purchasing are examined. Finally, in the third part, the transition of purchasing from a clerical function into a strategic function is presented.

2.4.1.1. Historical developments of the purchasing function

In the early years of the 20th century, markets were hit by panic and crashes with growing frequency in the western world. Rapid growth in many industries turned into stagnation, and as a consequence, businesses found it increasingly hard to turn sales into profits. Due to poor development, companies began to cut prices, which led to even fiercer competition.

In the early days, the function of a purchaser or a ‘purchasing agent’ as persons who were responsible for buying were called then (Morgan 1999:72), was merely a clerical function for expediting orders. In the 1920s, the first attempts to develop models for evaluating vendors were made. However, it was not until the great depression in the 1930s that purchasing became an important function within companies. The reason for this is that purchasing was recognised as a centre for cost reduction for companies (Morgan 1999; Gadde & Håkansson 2001).

In the 1940s, purchasing went through a period of development, moving towards strategic thinking and planning, and becoming increasingly involved in the phases of planning, design, manufacturing and sourcing. During the 1950s the most significant area of purchasing strategy to emerge was the development of system contracting, which can be regarded as the pre-emergence of service level agreements (SLAs). Instead of focusing on single products, system contracting motivated the supplier to provide a system of goods (and services) at specified service levels, time periods, and prices (Gadde & Håkansson 2001). In the 1950s and 1960s, manufacturers focused in general on mass production in order to minimise unit costs (Tan 2001).

During the 1960s and 1970s, purchasing moved towards materials management where the main objective was to improve the integration of activities such as production scheduling, purchasing, logistics and distribution (Gadde & Håkansson 2001). Baily and Farmer (1982) define materials management as follows:

"The concept concerned with the management of the flow of materials into an organisation to the point where those materials are converted into the firm’s end product(s). Responsibilities include collaboration with designers on material component specifications, purchasing – which includes the search for, and location of, suitable economic sources of supply, incoming traffic, goods receiving and inspection, supplier quality control, inventory control (raw material and component and, possibly, work-in-progress) and material control. In some cases internal materials handling would also be included." (Baily & Farmer 1982:11)

During the 1980s, purchasing began to develop in another direction. In Japan and other parts of Asia, just-in-time (JIT) -based resource management together with improved quality processes increased the competitiveness of Asian suppliers internationally. European companies also became increasingly focused on improving quality, something that became a hallmark of the German manufacturing industry in particular. Simultaneously, the USA began to slowly lose ground in the international arena. In order to make American alternatives attractive to buyers, American suppliers
started focusing on competitiveness. According to Morgan (1999), the reasons for the setbacks in international competition, mainly seen in the American manufacturing industry, could be divided into four general categories. Firstly, due to inefficiency in manufacturing processes, American companies had higher manufacturing costs compared to their Asian and European competitors, which resulted in a price disadvantage for the USA in international markets. Secondly, despite higher production costs throughout the manufacturing process, the quality of American products was often inferior to those of their international competitors. Thirdly, inefficiency in manufacturing processes generated vast amounts of waste. Fourthly, management was often unsuitable or even redundant, which lead to poor decision-making. According to Cousins and Spekman (2003), it became clear that inefficiencies in production and supply management could not be passed onto customers in the form of increased prices. The intense global competition forced world-class companies to lower their costs and to offer better quality via improved design (Tan 2001). During this time, it was also realised that by managing the supply strategically, companies could save significant amounts of money; “typically a 1% cost saving by purchasing equates to 10% increase in sales” (Cousins & Spekman 2003:20). A company does not operate in isolation from events that occur around it, and a company and its suppliers form a team; the company is only as strong as its weakest supply chain partner.

Of the four categories of problems presented, it became the task of purchasing to tackle the first three (Morgan 1999). The purchasing function, which became increasingly referred to as ‘supply management’ or ‘supply chain management’, began to work more closely with other functions within companies in order to find the reasons behind and solutions for responding to non-competitive pricing, quality problems, and excess waste (Morgan 1999). Additionally, other skills and know-how that had been acquired and developed throughout the years by persons in the purchasing field were regarded as increasingly important. These skills included price consciousness and sourcing, which provides guidance regarding what should be produced within the company and what could be acquired more affordably from elsewhere. Additionally, through co-operation with suppliers, prices could be reduced and quality of the products and services provided by suppliers increased. Companies started abandoning their previous, often cumbersome production and warehousing processes, instead moving to simpler, more transparent processes. Many of them adopted some form of just-in-time (JIT) approaches, which were mainly developed by the Japanese manufacturing industry. JIT deals with developing business processes and creating efficiency in materials management with the aim of “minimise the need for warehousing, while simultaneously maximising the efficiency of the production processes” (Gadde & Håkansson 2001: 23). Simultaneously, throughout the 1980s, international sourcing as a purchasing and business strategy increased steadily (Monzka & Trent 1991).

Gadde and Håkansson (2001) highlight two trends that evolved within purchasing in the 1990s. The first trend is outsourcing, which is a natural continuation of the developments made during the 1980s. Outsourcing refers to moving from in-house production to contracting an external party to provide tasks as services to the company. The second trend is supply chain management, which in its basic form consists of a series of organisations, resources, and activities that are involved in creating and delivering value to the external customer. Although there is no clear definition of what supply chain management is, it deals with the integration of the processes required to deliver value to the external customer (Morgan 1999; Gadde & Håkansson 2001). Supply chain management refers to an overall process of linking output production processes (production and delivery processes) with input processes (managing suppliers and ordering of materials, components, and services) (Morgan 1999). Thus,
Supply chain management could be viewed as an overall function for not only turning input into output, but also for managing the sources of input, including the management of suppliers.

One of the possible future trends for purchasing that Gadde and Håkansson (2001) mention is that, due to ever increasing decentralisation, the purchasing function itself may also become a subject for outsourcing. For example, some telecoms operators outsource parts of the purchasing function to external service providers. Outsourcing the purchasing function provides several benefits: providers of purchasing services are usually more experienced in professional sourcing, evaluating, rating, selecting, and negotiating with suppliers, resulting in increased efficiency in the overall purchasing process.

2.4.1.2. Conceptualising and defining purchasing

Purchasing as a concept has changed considerably over the years. Traditionally, purchasing has generally been considered to be a clerical and administrative function, where the main task is to expedite orders for goods and services that have already been specified (Gadde & Håkansson 2001:3).

According to Axelsson and Wynstra (2002), the role of the purchasing function can be described as having developed from buying, to procurement and still further to supply management. They state that purchasing as in 'buying' refers to specific purchasing activities that deal with buying items and making sure that needs (on a basic functional level) of the buyer are fulfilled, and that these items are being acquired at the lowest possible price. Purchasing as in 'procurement' refers to acquisition and a widened role in which logistical aspects, price, volume and time aspects are taken into consideration. Purchasing as in 'supply management' further widens the scope and includes the formation of the supplier structures, and the development of the resources and knowledge capabilities of the supplier and buyer. Considering the above one can conclude that supply management reduces costs and increases value creation (Kraljic 1983). In contrast, global purchasing implicitly builds upon a long-term independent (or 'arm’s length') economic relationship between the buyer and the seller (Quintens, Pauwels & Matthyssens 2006a). A supply chain can be perceived as a series of actors that transform raw input into finished output and delivers this to customers (cf. Mabert & Venkataramanan 1998). In fact, one key aspect of supply chain management is that companies adopt a flow process, in which the inputs and outputs of a company and between companies are not separated (Axelsson & Wynstra 2002). In other words, the flow of resources does not stop at any company’s doors:

"Supply chains can be perceived as a number of organizations that are involved in the upstream and downstream flows of products, services, finances and/or information" (Mentzer, DeWitt, Keebler, Min, Nix, Smith & Zacharia 2001:2).

A flow is a continuous stream that may reside within or go beyond the boundaries of one company (Axelsson & Wynstra 2002; Ketchen & Hult 2007), but it does not ‘stop and start’. "Companies try to coordinate operations across several stages along the chain of interrelated buyers and sellers" (Axelsson & Wynstra 2002:259). Supply chain management can be described as follows:

"Supply chain management entails the systematic, strategic coordination of business functions across these functions within a particular company or across companies of a supply chain, to improve the long-term performance of individual companies and the supply chain as a whole" (Mentzer et al. 2001:18).
Various definitions for purchasing have been presented over the years. In earlier literature, the role of the buyer was more of a focus, whereas buying as an organisational task and the related organisational issues were less visible. Hence, purchasing was understood in a more narrow and operational way. Regarding the objective of purchasing, Baily and Farmer (1982:128) state: “the basic purchasing objective is to ensure that what is required is in fact available when it is required”. During the last two decades, the definition of purchasing has broadened considerably to include a more strategic understanding of the underlying processes. This has led to definitions such as:

“[…] a company’s behaviour in relation to its suppliers” (Gadde & Håkansson 1993:13).

“[…] managing the external resources of the firm, aimed at acquiring inputs at the most favourable conditions” (Wynstra 1998).

“[…] managing the external resources of the firm” (Dohler & Burt 1996).

“[…] the management of the company’s external resources” (Van Weele 2005:12).

“[…] purchasing involves all activities that lead to an incoming invoice” (Axelsson & Wynstra 2002:17).

As pointed out by Axelsson and Wynstra (2002), many services are bought without much involvement from purchasing specialists. Nevertheless, these purchases result in incoming invoices. This shows that there is a distinction between the purchasing function (or process), and the purchasing department. The purchasing department (with its specialists) is responsible for setting up and co-ordinating the basic processes of specifying, negotiating, selecting, contracting, ordering, receiving and evaluating the purchase and to manage the buying activities. However, this does not imply that these activities are to be carried out by the purchasing department alone (Axelsson & Wynstra 2002). In many firms, purchasing exists as a cross-departmental function, often including other departments and specialists. The purchasing function can stretch across the entire organisation (Axelsson & Wynstra 2002; Van Weele 2005). Top management may be involved as ‘sponsors’ and in decision-making regarding important purchases. Technical personnel may be involved in the design, specification, configuration, and development of the object for the purchase. The product management and marketing departments may be involved in the scoping, design, specification and use-case planning of the purchase. Furthermore, when regarding telecommunications operators for example, proposition management and financial controlling departments may be involved in constructing the business case. Moreover, it is not uncommon that the purchasing department is not directly involved in the actual purchasing process. However, the purchasing department is generally responsible for the purchasing function.

According to Gadde and Håkansson (2001), purchasing has probably never been treated in the same way in small companies as in large companies. In small companies, purchasing has only rarely been defined or viewed as a specific task. In small firms, purchasing is often interwoven into the company’s general tasks and the owner is often involved in and directly responsible for strategic purchases.

According to Van Weele (2005:12), the purchasing function traditionally includes the process of buying. According to him, no agreement exists about the definition of the
terminology. As a consequence, terms like ‘procurement’, ‘purchasing’, ‘supply’ and ‘logistics management’ are used interchangeably. He defines purchasing as follows:

“The management of the company’s external resources in such a way that the supply of all goods, services, capabilities and knowledge which are necessary for running, maintaining and managing the company’s primary and support activities is secured at the most favourable conditions” (Van Weele 2005:12).

Purchasing as defined by Van Weele (2005:12) covers the following specific activities:

1. Determining the specifications of the purchase
2. Selecting the most suitable supplier
3. Preparing and conducting negotiations
4. Placing the order
5. Monitoring and control
6. Follow up and evaluation.

Unlike materials management and supply chain management, “the purchasing function does not include the responsibility for materials requirements planning, materials scheduling, inventory management, incoming inspection and quality control” (Van Weele 2005:13). When considered as a general concept, purchasing includes all activities for which the company can receive an invoice from external parties. Hence, the scope of the purchasing function is considerably wider than that of the purchasing department. According to Van Weele (2005), there are differences between buying, ordering and purchasing. Buying and ordering both refer to a situation where the solution has already been specified. Additionally, both buying and ordering can be used when referring to repeat purchases from existing suppliers. In contrast, purchasing refers to situations where specifications may need to be agreed upon. Purchasing also refers to finding the most suitable solution and the most suitable supplier (Van Weele 2005). In the scope of this study, purchasing refers to these activities in the first three steps of the buying process: determining specification, selecting a supplier, and contracting, as illustrated in Figure 12. Van Weele refers to these three steps as ‘initial purchasing’ or ‘tactical purchasing’ (2005:14).
In the first step, determining specification, the purchasing requirements are determined. In this phase, the company is faced with the decision to ‘make or buy’: to either meet the need internally or to rely on an external party. In the next step, selecting supplier, the buyer starts their market screening. This step actually contains a number of sub-steps: determining the method of subcontracting, preliminary qualification of suppliers, drawing up the list of potential suppliers, preparation of requests for quotation (RFQ) and analysis of the submitted offers, and selection of supplier. In the third step, contracting, a contract is negotiated with the selected supplier. (Van Weele 2005) These three main steps (including sub-steps) form the activities that are referred to as ‘purchasing’ in the scope of this study.

In contrast to Van Weele (2005), Axelsson and Wynstra (2002) use ‘buying’, ‘purchasing’ and ‘procurement’ interchangeably. In this study however, only purchasing and buying are used interchangeably. Either of them may be used when referring to activities of (and within) the purchasing function that are aimed at acquiring company-external input resources. However, contrary to Van Weele’s (2005) illustration of buying in Figure 12, buying as a concept in this study ends once a contract between the buyer and the seller has been signed. Once a contract has been signed, purchasing and buying become ordering, or an ‘order function’ (Van Weele 2005:13) as illustrated in Figure 12. Hence, in the scope of this study, purchasing and buying are defined as the activities that commence with the identification of a need and end with the signing of a contract for the acquisition of external resources for a company that are central to providing a core service to its customers. It should be noted that intrafirm purchasing and buying is excluded from this definition.

2.4.1.3. **Purchasing has become strategic**

Traditionally, the role of purchasing has long been considered to be purely the acquisition and management of a firm’s inputs, such as raw materials, components, modules or services (Webster & Wind 1972; Baily & Farmer 1981, 1982; Burt & Soukup 1985; Farmer 1985; Dobler & Burt 1996; Cousins & Spekman 2003). As a result, purchasing has been regarded as being responsible for acquiring the right quality of input on the most favourable terms and conditions. The traditional view of purchasing
is generally based on efficient management of input to the firm. More recent developments have contributed to the concept that purchasing of goods and services is increasingly evolving into a view where purchasing is regarded having a strategic impact upon a company's success (e.g. Kraljic 1983; Axelsson & Håkansson 1984; Farmer 1985; Cooper & Ellram 1993; Axelsson 1998; Gadde & Håkansson 2001; Axelsson & Wynstra 2002; Cousins & Spekman 2003).

Findings by Cousins and Spekman (2003) suggest that companies are moving away from the management of the flow of goods and services, and are instead gravitating towards the management of the supply process, a view that is also supported by Ketchen and Hult (2007). According to Cousins and Spekman (2003), the distinction is that the supply process permeates the whole organisation and takes over the management of resources, regardless of whether the flow resides inside or outside the company. Hence, supply management's area of involvement is the flow of goods and services through the organisation with the aim of making the company more competitive. The ultimate goal is to contribute to end-user customer satisfaction (Cousins & Spekman 2003). In order to achieve this objective, it is not sufficient for purchasing to focus on the acquisition of goods and services on favourable delivery terms and competitive prices alone; purchasing must also focus on cost reduction techniques, improving delivery accuracy, and reducing time to market (Cousins & Spekman 2003).

Although the evolution of purchasing from a clerical function to a strategic process within the company is well noted in the literature (Tan 2001; Cousins & Spekman 2003), it seems that it is global supply chain management that has predominantly received attention, whereas global purchasing is notable for its absence (Quintens et al. 2006a). It seems that “academia has only recently picked up purchasing strategy as a critical issue” (Quintens, Pauwels & MatthysSENS 2006b:881), which is somewhat surprising since “global purchasing is inherently related to, if not the first step towards global supply chain management” (Quintens et al. 2006a:170). Today, since the costs of purchases account for the dominant part of the total costs for most companies (Gadde & Håkansson 2001:4), purchasing will undoubtedly gain increasing strategic importance. According to Axelsson and Wynstra (2002), the development of the portion of the total costs that purchases account for has occurred in parallel with (and partly as a consequence of) the purchasing volumes as compared to sales. Today, this so-called purchasing ratio often lies above, rather than below fifty percent of the total sales revenues. The purchasing ratio reveals how much of a company's sales revenue goes to paying for the efforts and resources of suppliers. For example, should the purchasing ratio be sixty percent, then for every one hundred Euros of sales revenue that the company generates, it has to pay sixty Euros to its suppliers. As a rule of thumb, compared to less developed industries and economies, the purchasing ratio is higher in more developed economies.

Changes in the supply structure and evolution, from simple purchasing in a dyadic relationship to purchasing in supply chains and supply chain management in complex network structures are discussed by Harland, Lamming and Cousins (1999). The evolution from a dyadic supply structure to a network structure is illustrated in Figure 13.
This figure illustrates how the supply structure has developed from a dyadic buyer-seller setting through a chain of companies into a network of companies. This evolution can be explained with the change in input from raw materials, to components, modules and services. The difference between supply chain management and supply networks can be described as follows: "supply chain management tends to concentrate on more simplistic, linear and unidirectional flows of material and associated information", whereas “supply networks encompass the mess and complexity of networks” (Harland, Lamming, Zheng & Johnsen 2001:22). In this study however, the focus is on the seller and buyer at a process level during the relationship initiation between the buyer and seller. Therefore, instead of adopting a network or a chain approach with regard to selling and purchasing, a dyadic approach has been chosen.

Based on purchasing literature it seems that there is no common view of what the term ‘strategic’ with reference to purchasing refers to. Indeed, according to Cousins & Spekman (2003) the term is often misused in business and research. The concept of planning, thinking ahead and being proactive as opposed to being reactive is embodied in the term. In contrast, based on a review of purchasing and supply chain management literature, Ramsay and Croom (2008) arrived at the conclusion that 'strategic' was used in previous research to indicate two different types of activities. First, it is used to refer to activities that may enhance the intra-organisational status of the purchasing function. Second, it is used to refer to activities, which may contribute to the overall competitive advantage of the organisation (Ramsay & Croom 2008). However, different views exist; since both intraorganisational high status and contribution to the competitive advantage of the company often occur simultaneously, Rozemeijer (2008) questions what we gain by making a distinction of strategic purchasing activities as proposed by Ramsay and Croom (2008). Additionally, Rozemeijer (2008) strongly criticises the view advocated by Ramsay and Croom (2008) and others, which is based on the ‘conventional wisdom’ according to which purchasing activities are divided into being strategic/ non-strategic, and where the term ‘operational’ is mainly being used as a negative term (Rozemeijer 2008). According to a notion presented by Rozemeijer (2008), purchasing activities can be divided into being operational, tactical, or strategic. The strategic level includes such purchasing activities that directly affect the competitive position of the company in both customer and supplier markets. The tactical level includes the involvement of the purchasing function in the products, the...
process and in the selection and contracting of suppliers. Activities at the operational level are related to the ordering and expediting function (ibid.). Operational purchasing activities are important as they are at the core of the purchasing function. The more companies concentrate on strategic partnerships and long-term co-operation, the more important also operational purchasing becomes. Without the operational activities, neither the purchasing function nor the rest of the company can operate. Hence, one should avoid viewing operational purchasing activities as old-fashioned and something of lesser value, which a modern company could do without.

Gadde and Håkansson (2001) discuss the position that purchasing has within companies. They state that it is clear that issues related to purchasing have become of greater strategic importance than in the past. During the clerical and administrative era of purchasing, it was mainly related to expediting orders. This function was later supplemented with an increasing involvement in negotiations with suppliers. Prior to this, the purchasing department was provided with a list of what needed to be ordered. With the increased involvement in negotiations, the purchasing function began to participate in formulating such list. The purchasing function also started to become involved in strategic sourcing issues. With the advent of just-in-time thinking, materials management became increasingly important.

In most cases today, purchasing is responsible for operations related to supply chain management; "what began as a clerical and administrative function has developed into a strategically significant profession" (Gadde & Håkansson 2001:11). Hence, they refer to both the intra- as well as inter-organisational status that purchasing and supply chain management have gained. According to Van Weele, "purchasing and supply chain management has developed into one of the key business drivers in business" (2005:23).

According to Gadde and Håkansson (2001:36-37), the common perception that purchasing did not gain importance on a strategic level until the 1980s is misleading. They claim that purchasing has been a top priority during certain periods, followed by other periods where more importance was devoted to other functions on a strategic level. In sum, "it is the overall situation and context of the company that determines the importance of the various company functions" (Gadde & Håkansson 2001:37).

Burt, Dobler and Starling (2003:26) discovered that purchasing and supply managers began to see the need for two types of resources in the organisation: one team to manage the operational and tactical activities, and another team of people who are involved in the strategic development of purchasing and materials management. In other words, both the clerical-tactical and the strategic levels of purchasing should be catered for within the buying organisation. This demonstrates, that supply chain management does not have to be regarded as a replacement for clerical, more tactically oriented purchasing; both can co-exist.

Through his purchasing development model (in which he introduced stages of development that companies may pass when they want to develop their purchasing professionalism), Van Weele (2005:94) proposes a learning curve for purchasing with regards to effectiveness and cumulative savings. He also takes the concept of co-existence of the clerical-tactical and strategic levels still further. A conclusion that can be drawn from Figure 14 is that in addition to considering whether to adopt a clerical-oriented or strategic purchasing approach, the stage of development of the industry should be considered.
The stages are divided into two main categories: a centralised functional focus, and a centre-led cross-functional focus. The first category includes the development stages: transaction-oriented purchasing, where the focus is primarily on one’s own company; commercial orientation, with a cost-reduction focus; and purchasing co-ordination, with a focus on synergy based savings. The second category includes the stages: internal integration orientation, with a total-cost-of-ownership focus; external integration, with a supply chain optimisation focus; and value chain integration, with a total-customer-satisfaction focus.

With the figure Van Weele (2005) combines insights from research in purchasing to arrive at an integrated model for the development of purchasing. The figure shows how purchasing develops over time and across industries. The model proposes that the purchaser moves from centralisation towards decentralisation, from a functional to cross-functional focus, from short-term focus towards long-term focus, and from transaction orientation towards relationship orientation. The model captures some of the most central thoughts in purchasing research today. Instead of recognising that there are differences between companies within the industries, however, the model simply takes a meta view of industries and pigeonholes these into stages. Not only is it important to recognise differences between companies, it is also important to recognise that, depending on the strategic importance of the purchase for the company, buyers may adopt different approaches to different types of purchases (cf. Kraljic 1983).

On a strategic level, although the purchasing function has undergone a transformation from simple purchasing to supply chain management, the purchasing function still remains primarily responsible for the acquisition of input and for the acquisition process, i.e. for buying and the buying process. Comparing the intra- and inter-company effects and visibility of this transformation, it is possible that the strategic shift from simple purchasing to complex supply chain management has stronger effects within the buying company than between the buyer and the seller. Naturally, the extent to which the effects become visible to the seller is related to the level of transparency in purchasing that the buyer provides to the seller. This again depends on several factors,
such as the buyer’s policies, openness, trust towards the seller, and the strategic importance of the purchase.

2.4.2. Relationship orientation in purchasing

In order to study relationship initiation between the buyer and the seller, it is important to understand how the parties view relationship orientation. In this subsection, purchasing literature regarding relationship orientation is reviewed. In the first part, the differences between transactional and relational purchasing approaches are presented. In the second part, characteristics of relationships from a buyer’s perspective are described. In the third part, the purchasing portfolio approach is presented. In the fourth part, centralised and decentralised purchasing approaches are examined.

2.4.2.1. Transactional and relational purchasing approach

Through an ever-increasing focus on customer relationships and on supply chain management, it seems logical that companies would strive towards the building of customer and supplier relationships. However, claiming that purchasing should always need to result in a relationship would be an oversimplification of the issue. There are situations where a relationship is secondary in importance, and there are situations where it is not even desirable. Looking at the situation from a resource perspective, the development of relationships with suppliers is resource intensive and can only be justified when the benefits from the relationship outweigh the investments (Gadde & Snehota 2000). Although it may not be possible to know the outcome (in terms of benefits exceeding the required investments) in advance, companies may need to commit to building long-term relationships with their counterparts. According to Salmi (2006:205), this is often the case when initiating relationships with Chinese partners for example. Drawing on previous research conducted by Grönroos (2000), Gummesson (1999) and Reichheld (1996) and others, as well as on research conducted by the IMP group, Axelsson and Wynstra (2002:92) present a matrix for describing a company’s purchasing behaviour. They make a distinction between the time horizon and in the intended frequency of the purchase. On the one hand, companies can act based on a short-term time horizon when conducting single transactions, and on the other hand on a long-term horizon, depending on the purchasing strategy. In this study, the focus is not primarily on short-term single transactions, rather on long-term and strategic purchasing. Hence, the relationship aspect within purchasing becomes of interest.

Much of the debate within purchasing and supply chain management in recent years has been between transaction orientation and relationship orientation, which reflect the quite opposite sides of the purchasing behaviour continuum (Axelsson & Wynstra 2002). Transaction orientation is sometimes also referred to as the classical or traditional purchasing or buying philosophy, whereas relationship orientation is referred to as the modern purchasing philosophy. Alternatively, the classification of arm’s-length or market-based relationships can be used (Hallikas, Puuimalainen, Vesterinen & Virolainen 2005:73). The differences between transaction-oriented and relationship-oriented relationships can be described as proposed by Axelsson and Wynstra (2002) in Table 5.
Table 5  Transaction vs. relationship-oriented purchasing behaviour (Axelsson & Wynstra 2002:214).

<table>
<thead>
<tr>
<th>Transaction-oriented approach</th>
<th>Relationship-oriented approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Many alternatives</td>
<td>One or few alternatives</td>
</tr>
<tr>
<td>Every deal is a new business, no one should benefit from past performances</td>
<td>A deal is part of a relationship and the relationship is part of a network context</td>
</tr>
<tr>
<td>Exploit the potential of competition</td>
<td>Exploit the potential of co-operation</td>
</tr>
<tr>
<td>Short term; keep supplier at arm’s length, avoid coming too close</td>
<td>Long term with tough demands and joint development</td>
</tr>
<tr>
<td>Renewal and effectiveness by change of partner, choose the most efficient supplier at any time</td>
<td>Renewal and effectiveness by collaboration and ‘team effects’, combine resources and knowledge</td>
</tr>
<tr>
<td>Buying ‘products’</td>
<td>Buying ‘capabilities’</td>
</tr>
<tr>
<td>-&gt; Price orientation, strong in achieving favourable prices in well-specified products</td>
<td>-&gt; Cost and value orientation, strong in achieving low total cost of supply and developing new values</td>
</tr>
</tbody>
</table>

The left column of the table represents the transaction-oriented approach and what characterises it. In this approach, the buyer is in favour of competition between the suppliers as this forces the suppliers to provide the best quality at the lowest possible price. The buyer is focusing on the output of the supplier, and is seeking to purchase the best quality on the best terms at the lowest price. Previous performance has little to no relevance; the supplier is replaceable at any time. Nevertheless, in order to ensure distribution, more than one alternative may be required (cf. Ketchen & Hult 2007).

The developments in how companies operate, the evolution of purchasing from buying, and procurement to supply chain management has led to changes in the purchasing function and its focus. An alternative to the transaction-oriented approach is a relationship-oriented approach, which is presented in the right-hand column of the above table. The central notion is that companies will perform better if they work together if they co-operate and focus on mutual development, instead of focusing on themselves and their own profit margin. In order for companies to mutually benefit from co-operation, the time horizon has to shift from short to long term. Hence, companies that take a relationship-oriented approach in their purchasing generally adopt a long-term perspective with concern to co-operation and profits. An ever-increasing specialisation that firms are investing in also supports co-operation: each party focuses on what they are best at. If a relationship-oriented focus in purchasing enables the specialisation, or if relationship orientation in purchasing is required due to specialisation, these are scenarios that cannot be dealt with in a straightforward fashion. This may vary from case to case, or the scenarios may even be inseparable.

In the relationship-oriented view, co-operation and long-term relationships are emphasised. The goal is to achieve the lowest total costs possible, which is not restricted to only a low purchasing price, but additionally recognises the total cost of what is offered to the customer (Axelsson & Wynstra 2002:214).
The transaction-oriented approach, which is a powerful approach, has both its strengths and its weaknesses. When adopting this approach, the goal is to ‘choose right’ in all situations: the right product, delivery time, level of quality, supplier, etc. (Axelsson & Wynstra 2002). A seemingly easy way for the buyer to increase their returns can be achieved by the lowering of costs by selecting the supplier who offers the lowest price. When the buyer is purchasing standard products, services or solutions, selecting the cheapest supplier is one solution for increasing profits. However, when dealing with customised solutions and when long-term co-operation is required, a different approach may be more appropriate.

According to Axelsson and Wynstra (2002), in the transaction-oriented approach it is assumed that costs can be controlled and that they arise at the supplier’s end of the process. The relationship-oriented purchasing approach takes a wider view, identifying that costs arise partly at the supplier, buyer, distributor(s), and perhaps even at the customer’s end of the process. The total cost takes all costs into consideration that have been incurred throughout the chain of the involved parties.

The relationship-oriented approach can be characterised by the adoption of a long-term perspective. It is of importance that the buyer chooses a supplier with whom they can and want to co-operate over a long period of time. The relationship may require that various functions and roles within the buyer’s and the supplier’s organisations become involved. Co-operation may require collaboration between various departments such as: commercial, technical, testing, quality assurance, marketing, sales, etc. as well as co-operation between the management of the involved parties. The overall goal with a relationship-oriented purchasing approach is that, in comparison to a situation where both parties would adopt a transaction-oriented approach, all of the involved parties will succeed better and the total costs included will be lower. Additionally, the effects of a long-term co-operation between the parties can result in improvements in areas other than costs. Such areas can for example include development of technical, market and other know-how, skills, and efficiency, or perhaps open up access to new areas or markets (cf. Axelsson & Wynstra 2002).

Today, there is an increasing interest among purchasing companies to collaborate with suppliers, which according to Gadde and Håkansson (2001) is a sign of that buying companies have reconsidered the concept of efficient purchasing. Cost control and ever-increasing requirements on efficiency and economic benefits require that purchasers and suppliers have a shared view of each other, of what is going to be achieved and what the gains of the co-operation are going to be for each party. This broadened view calls for a “long-term perspective, instead of a short-sighted view favouring the lowest price in single transactions” (Gadde & Håkansson 2001:7).

Purchasing is undoubtedly undergoing a change from transaction-oriented purchasing towards relationship orientation. However, although there is a trend of moving towards relationship-oriented purchasing, as pointed out by Axelsson and Wynstra (2002:219), many purchasers still primarily focus on pricing and adopt a transaction-oriented approach.

The evolution in the purchasing literature and research often seems to refer to the transition from tactical (or transactional) purchasing to strategic supply chain management. The transition from viewing purchasing as a clerical function to viewing purchasing as a strategic function is a slow process and it faces a number of barriers (Cousins & Spekman 2003). It is difficult to change from a transactional, tactical, price-driven model to a strategic long-term model, especially if the measurements by which
the purchasing teams are measured are not changed accordingly. One problem being faced is that it is rather difficult to create such measurements. Another problem is that the metrics will also become long-term, which may cause challenges in rating the short-term performance of the purchasing team. This in turn will also have an effect on reward systems for personnel. Simply put, pricing is an easily quantifiable and effective metric for measuring performance. Cousins and Spekman (2003:22) point out that when asking most strategic purchasing departments how they are measured, the response is generally “by lead-time, quality and rejects”, which are all tactical measures. Hence, they argue that what you measure is what you get. In other words, if you measure a function tactically, people will behave tactically and it becomes a self-fulfilling prophecy. If a company wants its personnel to behave strategically, it must measure them accordingly (Cousins & Spekman 2003). In contrast, Quintens et al. (2006a) point out that global purchasing actually builds upon an arm’s length relationship between the buyer and the seller, so global purchasing as a concept assumes that keeping an arm’s length distance from the supplier is more effective than building close, long-term relationships.

2.4.2.2. Characteristics of relationships

According to Cousins and Spekman (2003), building long-term relationships with a limited number of key suppliers is ‘the right thing to do’. However, many buyers lack the patience and foresight to invest in the possible long-term gains and instead choose more certain short-term gains. Proponents of short-term gain may partly fear the perceived dependence and risk of being exposed to higher prices due to having a more supplier-friendly attitude, as compared to acting as a ‘tougher’, more price-oriented purchaser. Buyers may not understand the real benefits of relying on suppliers and encouraging them to participate in the design and development of new products and services (Cousins & Spekman 2003).

All partners are not equal; hence, some partnerships become more important for the parties involved than others. There are situations where previous knowledge about each other’s businesses can be beneficial, and where this knowledge can be used to enhance the level of co-operation in order to perfect a service that the supplier is providing. However, there are also situations where the supplier can misuse this information and provide only the minimal service that is required to keep the customer satisfied or at least keep them from terminating the relationship. In other words, the supplier may become complacent or even lazy. According to Axelsson and Wynstra (2002), a common objection to stable relationships is that the suppliers may become complacent and no longer commit themselves to doing their best. This may lead to inefficiency in the marketplace. Hence, it can be argued that it is beneficial for all parties to keep the actors and the marketplace alive by switching suppliers as soon as something better appears (Axelsson & Wynstra 2002: 223). However, purchasers who do not trust their suppliers to act in a collaborative and partner-like fashion can themselves be the root cause of the problem: mistrust towards the seller may stem from the buying company itself. For example, the purchaser may not be prepared to accept a somewhat higher price, which would enable the seller to cover their investments in the relationship and collaboration with the buyer. Alternatively, the purchased product or service may not be of strategic importance for the buyer, or perhaps the buyer has reasons to fear that the seller will not exist in future and thus decides to adopt a price-oriented short-term approach. After all, one of the main objectives of buying is “to ensure continuity of supply by maintaining effective relationships with existing sources and by developing other sources of supply either as alternatives or to meet emerging or planned needs”
It seems difficult to provide clear-cut advice for purchasers other than the following: when all parties involved are working for the common good, a long-term relationship-oriented approach is the right choice. Conversely, in case that neither of the parties is committed to the common good, a short-term transaction-oriented approach would appear to be justified.

As pointed out by Axelsson & Wynstra (2002:224), in contrast to being easy and non-demanding, long-term relationships are in fact often demanding, which may be beneficial for both parties. “Business relationships are always characterised both by conflict and cooperation, because the parties have both contradictory and shared interests” (Gadde & Håkansson 2001:104). When studying relationships and especially the atmosphere between the buyer and the seller, Gadde and Håkansson (2001) include three aspects that are related to this: (1) conflict and co-operation; (2) power and dependence; and (3) trust and commitment. The first is the occurrence of conflict and co-operation in the interaction between companies. The second aspects deal with power-dependence as is associated with interaction. The third aspect is related to trust and commitment between the parties in the relationship.

Studying relationships through the dimensions of co-operation and conflict between the buyer and the supplier yields four relationship situations: ‘marginal’, ‘nice’, ‘hostile’ and ‘creative’ (Gadde & Håkansson 2001:105), as illustrated in Figure 15.

![Figure 15 Characteristics of relationships. (Gadde & Håkansson 2001:105)](image-url)

According to the findings by Gadde and Håkansson (2001), when both the extent of co-operation and the level of conflict are low, the relationship can be categorised as being marginal in terms of importance and for the parties. In these situations the relationship does not move considerably forward or develop. In a nice relationship the extent of co-operation is high, but the level of conflict is low. The parties are active, but do not face problems or challenges. This may prevent the relationship from developing and it may prevent the service or solution that is being created from staying ahead of competition. In a hostile relationship the extent of co-operation is low, but conflicts occur often. This may prevent a fruitful and mutually beneficial co-operation to develop. In a hostile relationship, the parties may start looking for alternatives. When both the extent of co-operation and the level of conflict are high, the relationship can be categorised as being creative. This is a situation where new ideas arise, creativity spurs, problems get solved, price and quality are in balance, and development as well as evolution takes place. According to Axelsson and Wynstra (2002:224), it is in creative relationships that the biggest improvements occur.

Considering the findings of Axelsson and Wynstra (2002) and the matrix of relationships characteristics by Gadde and Håkansson (2001), it seems that transaction orientation may be more suitable when purchasing simple and standardised products.
and services, especially when the relationship focus is short-term. In contrast, a relationship-oriented approach may be more appropriate when purchasing complex solutions with a long-term focus. However, as Axelsson and Wynstra point out, “the most fitting purchasing strategy is the result of the overall judgement of a number of factors, of which the characteristics of the service are only one out of many” (2002:226).

2.4.2.3. Purchasing portfolio approach

Categorically dividing the purchasing orientation into being either transactional or relational in nature may represent a somewhat over-simplified view. As presented in literature (e.g. Axelsson & Wynstra 2002), transactional and relational orientations are usually portrayed as being opposites of one other. However, they need not be viewed as opposites that exclude each other, but rather as extremes of the same dimension or continuum. Usually companies purchase a variety of items, from sanitary products and office materials to raw materials, components, services, and so forth. Some purchases are directly related to the core output of the company, whereas others are not related to the core, instead consisting of necessities to keep the company running. Hence, it seems logical for companies to apply a portfolio approach to their purchases and to adopt different purchasing approaches for their different categories of purchases.

Based on the influence that the purchases have on the financial result of the company and considering the supply risk, Kraljic (1983) proposes a matrix for the categorisation of purchases. On one hand, what a company purchases can have a high or a low influence on the financial result of the company. Usually, the closer the purchases are to the core output of the company, the higher the impact on the financial result. On the other hand, there is a risk attached to the supply. High supply risk refers to the fact that if there should be a problem with the supply, this could cause severe problems for the purchasing company. In contrast, low supply risk means that a shortage in supply of the purchases does not cause considerable problems for the purchasing company. The portfolio matrix for purchases is illustrated in Figure 16.

![Figure 16 Purchases portfolio matrix (Kraljic 1983:112)](image)

The categories in the purchases portfolio matrix are:

1. Routine products: low profit impact, and low supply risk;
2. Leverage products: high profit impact, and low supply risk;
3. Critical products: low profit impact, and high supply risk; and
4. Strategic products: high profit impact, and high supply risk.

When both the influence of the purchase on the financial result and supply risk are low, the purchase can be categorised as a *routine product*. When the influence is high, but the supply risk is low, it can be categorised as a *leverage product*. In case the influence is low, whereas the supply risk is high, it is categorised as a *critical product*. Finally, when both the influence and the supply risk are high, the purchase can be categorised as a *strategic product*.

The four categories presume different buying strategies and incorporate different buying goals. In case of routine products, the goal could be minimising purchasing costs; for leverage products, the goal could be utilising the potential buying power; for critical products, the goal could be securing access or supply; and for strategic products, the aim might be optimisation between risk and profit potential. (Möller & Wilson 1989:12)

Depending on what a company is purchasing and whether the purchases are related to its output, the company is faced with different categories of purchases. Hence, it becomes obvious that there is not a single correct approach in terms of transaction-oriented or relationship-oriented purchasing, but rather different approaches can co-exist and can even be combined (cf. Kraljic 1983; Axelsson & Wynstra 2002; Van Weele 2005). Buying companies can develop different types of relationships with various suppliers. Some relationships rely on close co-operation, whereas in others the buyer may prefer to keep the supplier at an arm’s length. It seems justified for a buying company to develop different types of relationships with its suppliers, depending on the capabilities and resources that the suppliers provide the buying company (Gadde & Håkansson 2001:135). Indeed, there is no single best type of external relationship, which could lead to lower costs, improved quality and higher profitability (Cox 1996). Instead, different situations may require different approaches: “a company can be highly involved with only a limited number of suppliers and needs a variety of relationships – each providing its different benefits” (Gadde & Snehota 2000:305). A conclusion that can be drawn from the review of purchasing research is that there is little guidance on what types of suppliers are suitable in particular circumstances (cf. Lamming 1993; Harland et al. 2001). Additionally, most portfolio frameworks seem to neglect the supplier’s perspective (Hallikas et al. 2005).

With regards to the levels of co-operation, both interdepartmentally in companies as well as between the buyer and seller, it is important to realise that there are differences between companies in the USA and Europe and between small and large companies. Some problems and strategies that have long been regarded as typical for European companies are now also being observed and regarded important in American companies as well. However, according to Gadde and Håkansson (2001) this relates more to the different focus that companies have adopted on the respective continents. In contrast to Europe where companies have often focused more on horizontal integration and creating their own core competences, plus partnering and networking with other companies, in the USA there has been a strong focus on large vertically integrated companies (Gadde & Håkansson 2001). These different approaches lead to different kinds of problems and challenges. The difference between small and large companies is that in small companies there is usually no need to separate purchasing problems from production or marketing issues, whereas in large companies the separation (of purchasing problems from production of marketing issues) is pre-programmed due to the separation of tasks among the different departments. In small companies however, the management often prefers keeping purchasing problems and
production or marketing issues together, hence generally speaking small companies adopt a different view than large companies. Compared with large companies, small companies approach suppliers in a more cooperative way (ibid.).

2.4.2.4. Centralised and decentralised purchasing

The choice between having a centralised or a decentralised purchasing organisation has an impact on interaction with external suppliers. According to Gadde and Håkansson (2001:113), when a company chooses a centralised purchasing approach, it has specialised purchasers, who in a negotiation situation often have strong bargaining power. The purchasing team is highly specialised and the purchasers have extensive knowledge of the area in which they are conducting purchases. The level of their knowledge in the area may even exceed the level of their suppliers. For the selling company that faces a centralised purchasing organisation, this often means tougher negotiations, more specific requirements, and lower prices.

In contrast, a decentralised purchasing organisation will generally have quite the opposite characteristics; buyers are strongly integrated with operations. Since the purchasing team is more deeply involved with a multitude of different areas, the purchasers lack depth in their knowledge, hence, the suppliers tend to have a higher level of knowledge in the respective areas. Additionally, when purchasers are responsible for a multitude of solutions and systems that are bought in smaller quantities, this reduces their bargaining power. For the selling company it is often time and resource consuming to build and nurture all contacts in a decentralised purchasing organisation. This would require more time, which translates to higher contact costs, which in turn will eventually have to be paid by the customer in the form of higher prices (Gadde & Håkansson 2001).

Equally often as purchasing managers are confronted with arguments to adopt a centralised approach on purchasing and on the buying process, they are faced with reasons to decentralise and adapt their processes or purchasing portfolio (Quintens et al. 2006b). Instead of selecting either a purely centralised or decentralised approach, a solution for the purchasing company may be to select a combined approach. Such an approach may for example be constructed in the way that routine purchases are managed in a decentralised way, whereas leverage, critical and strategic purchases are conducted in a centralised manner. In a book review of Axelsson and Wynstra’s (2002) Buying Business Services, Cousins reveals that in one of his research projects, they “found a large amount of evidence to show that supposedly ‘strategically’ focused procurement firms only had between slight involvement and no involvement at all in the negotiation and placing of contracts for business services” (Cousins 2004:223). This shows that buying companies may simply and accidentally end up working according to a combined purchasing approach, perhaps due in part to poor planning or management.

2.4.3. Developments of the buying process

Although it has not received considerable attention in purchasing research, the buying process is at the core of purchasing. The buying process forms the guideline for how purchasing is conducted by the buying team, and it can be regarded as the manifestation of the company’s purchasing approach.
In this sub-section, the buying process is examined. In the first part, the stage approach of the buying process is presented. In the second part, developments concerning the buying process are presented. This sub-section concludes with a note on the relevance of the buying process in the age of supply chain management.

2.4.3.1. Stages approach

Regardless of who is viewing the buying process and from which angle, the common understanding appears to be that the organisational buying process is usually portrayed as in stages. Regarding studies in the area of purchasing, Möller and Laaksonen point out that "purchasing typically includes several steps of phases" (1984:2). According to Axelsson and Wynstra (2002:139), the typical textbook describes the purchasing process as "a sequence of steps initiated or triggered by a conscious need that has arisen at the customer". In purchasing, a number of steps are taken that result in a purchasing decision and in the acquisition of a product or service. In other words, purchasing can be seen as a rational and methodical decision making process. A customer's purchasing process can be viewed from two different time perspectives: a short-term perspective that looks at individual purchases, and a long-term perspective that deals with their purchasing strategy (Axelsson & Wynstra 2002:139). Purchasing behaviour regarding individual purchases is usually described as a decisional process with several consecutive steps.

The view of a purchasing process that consists of a number of stages is also recognised in the relationship marketing literature. As pointed out by Edvardsson et al. (2008:4): "In the purchasing literature, the initiation of a business relationship is typically depicted as a purchasing model with a number of stages". In fact, a stage view of the purchasing process seems rather common in relationship marketing research (Edvardsson et al. 2008).

One of the key findings in the study by Banting, Ford, Gross and Holmes (1985) (who conducted a cross-national study of the industrial buying process) is that purchasing managers differentiate between stages in the purchasing process and that they assign the responsibilities for these stages to different functional areas in the industrial buying process. In other words, business managers usually adopt a stage approach of the buying process.

Van Weele states that "although organizational purchasing processes may vary to a great extent, clear stages are still recognized" (2005:44), which shows that the general view of the buying process is that of a stage model. However, he also makes an important addition to this concept when pointing out "not all phases of the purchasing process are passed in all cases" (Van Weele 2005:44). This conveys that every case is more or less unique, and that flexibility with regards to purposeful implementation of the buying process is required.

Although the stage approach is widely recognised, this does not imply that there is a lack of criticism directed at it. General criticism against stage models revolves around their lack of 'theoretical power' (Quintens et al. 2006a). Furthermore, it is argued that a company's transition from one stage to another in the purchasing process is close to being trivially obvious. In other words, the dynamics of the process has received little attention (cf. Edvardsson et al. 2008). Moreover, no explanation for the transition from one stage to another is provided (Andersen 1993).
2.4.3.2. Buying process models

Prior to the formalisation of the buying process, individual buying was to a certain extent explained with the behavioural AIDA(S) model (Lewis 1908; Sheldon 1911) that depicts the successive stages a buyer passes through in the process of acquiring products and services. Although it may not have been used directly as such, the AIDA(S) model can be said to have formed the first buying process model, at least from the seller’s perspective.

In organisational buying behaviour research, buying has generally been described from a processional point of view, focusing on the phases that organisations pass through and tasks that are conducted in purchasing (Parkinson & Baker 1994). The buying process has generally been defined as a set of actions and dynamic factors that begins with the identification of the trigger for action and concludes with a specific commitment to action (Mintzberg, Raisinghani & Theoret 1976). Several researchers have formulated the phases of the organisational buying process; most of them present similar sets of listings of the phases that form the industrial purchasing process (Ulkuniemi 2003). One of the most widely accepted and cited industrial buying processes is the buying process model (formed by buyphases in the BuyGrid model) presented by Robinson, Faris and Wind (1967). Their model consists of eight phases that purchasing goes through: (1) Anticipation or recognition of a problem and a general solution, (2) Determination of characteristics and quantity of needed item, (3) Description of characteristics and quantity of needed item, (4) Search for and qualification of potential sources, (5) Acquisition and analysis of proposals, (6) Evaluation or proposals and selection of a supplier, (7) Selection of an order routine, and (8) Performance feedback and evaluation. The process is illustrated in Figure 17.
In the first step, **anticipation or recognition of a problem and a general solution**, the problem that triggers the buying process is recognised. During the second phase, **determination of characteristics and quantity of needed items**, an overall description of the need is provided. In the third phase, **description of characteristics and quantity of needed items**, the specifications for the item that is needed are made. The fourth step, **search for and qualification of potential sources**, involves searching for and screening potential suppliers. The fifth phase, **acquisition and analysis of proposals**, which involves proposal solicitation, potential suppliers are requested to submit their proposals. In the sixth step, **evaluation or proposals and selection of a supplier**, involves evaluation of proposals and selection of the supplier(s) for the needed item. In the seventh phase, **selection of an order routine**, order routines are specified and the first order is placed. In the eight step, **performance feedback and evaluation**, a review of the performance of the supplier(s), purchase and sometimes purchasing process is conducted. This kind of description of organisational purchasing is, however, not applicable to all types of buying situations. First, such a complicated and long process is not required in every buying situation (Ulkuniemi 2003). Second, although the model has been tested in a service context (e.g. Ferguson 1979), it was originally developed for a goods context (Wind & Thomas 1996).
According to Axelsson and Wynstra (2002:140), the purchasing process model by Robinson et al. (1967) is a somewhat simplified description of a typical decision process for industrial purchasing. A purchasing process such as the one presented by Robinson et al. (1967) is usually preceded by an internal pre-purchasing process, which involves internal customers. Hence, Axelsson and Wynstra (2002) present a modified version of the purchasing process, which is an adaptation of Van Weele’s model (2005). After the adaptation, the model includes the following eight steps: (1) Internal customers, (2) Determining specification, (3) Selecting supplier, (4) Contracting, (5) Ordering, (6) Expediting and evaluation, (7) After-care and evaluation, and (8) Supplier. This is illustrated in Figure 18.

![Figure 18 Buying process (Axelsson & Wynstra, 2002:140, modified)](image)

The model presented by Axelsson and Wynstra (2002:140) starts with the pre-purchasing process, i.e. with internal customers. From this follows the specification of the requirements for the service that is to be purchased. The process continues through supplier selection, contracting and ordering, after which it enters the performance review and evaluation phases. Axelsson and Wynstra (2002) present a model that combines a pre-purchasing process, a purchasing process, an ordering process, and a supplier evaluation and review process. In other words, they are moving from purchasing as understood in *procurement* to purchasing, as it is understood in *supply chain management*.

Contrary to the eight-phase models presented by Robinson et al. (1967) and later developments of this (by e.g. Ghinhold & Wilson 1998; Axelsson & Wynstra 2002; Van Weele 2005), Webster and Wind (1972) present a model of organisational buying decision-making that is comprised of five stages. Webster and Wind’s five-stage model (1972:31), which focuses on buying and purchasing as understood in this study, includes the stages: (1) Identification of need, (2) Establishing objectives and specifications, (3) Identifying buying alternatives, (4) Evaluating alternative buying actions, and (5) Selecting the supplier, as illustrated in Figure 19.

![Figure 19 General model of organisational decision processes (Webster & Wind, 1972:31, slightly modified)](image)

In the first stage, *identification of the need*, the need that triggers the buying process is identified. In the second stage, *establishing objectives and specification*, objectives that should be achieved and the specifications for the purchase are established. In the third stage, *identification of buying alternatives*, the alternatives that the buyer has for purchasing are identified. The fourth stage, *evaluating alternative buying actions*, involves the evaluation of alternative buying actions. During this phase a ‘make or buy’ decision is made; the company decides on whether to use in-house resources or to buy from an external party. The fifth phase, *selecting the supplier*, which, as the name states, consists of selecting the supplier, concludes the process.
Thirty years after Robinson, Faris and Wind (1967) presented the BuyGrid model (which is comprised of eight buyphases, or a buying process, and buyclasses ['new buy', 'modified rebuy', and 'straight rebuy']); Wind and Thomas (1998) conducted a review of the model. One of the findings of the content analysis in this review of the eight buyphases revealed a five-stage process at the core of the buying process, which includes: 1) definition of need and specification, 2) information search for alternatives, 3) evaluation of alternatives, 4) purchase decision, and 5) post-purchase decision (Wind & Thomas 1998). Although it is not the number of stages per se that are of central importance in the process, the finding shows that also a buying process that is comprised of fewer stages can capture the essential aspects of purchasing. In fact, together with Webster (1972), Wind presented a somewhat more general purchasing process model that includes five stages. As Robinson et al.’s (1967) BuyGrid model implies; the stages (buyclasses) that the purchaser is likely to go through are dependent on the situation (buyclass). In this study, the focus is primarily on new buy (Robinson et al. 1967); hence a purchasing process model that is appropriate for such situations is preferred.

Webster and Wind’s (1972) model of organisational decision processes focuses primarily on the process of purchasing as defined in this study. In other words, the model does not include the ordering, supplier evaluation or review processes, which are not part of the purchasing process; as these are conducted after the purchase. In fact, the five-step buying process (Webster & Wind 1972) reflects the core of the buying process (cf. Wind & Thomas 1998). Although the five-step buying process model was constructed long before relationship and service marketing emerged in marketing research, the model is still widely deployed today, even for buying services. This shows the applicability of their model (cf. Munnukka & Järvi 2008). Later, Axelsson (1998) presented a model similar to that of Webster and Wind (1972), his model being especially designed for buying services. The seemingly slight changes that have taken place in more recent developments to the model strengthens the view that Webster and Wind’s (1972) five-step model has stood the test of time and that this model is still considered relevant (cf. Munnukka & Järvi 2008). Hence, it is unsurprising that this type of purchasing process model is still widely used by purchasers.

### 2.4.3.3. Relevance of the buying process in the age of supply management

In a dyadic relationship initiation there are two parties: the seller and the buyer. The departments and persons who are involved in the buying process represent the buyer. The members of an organisation who become involved in the buying decision necessary to support the purchase of a product or a service are referred to as the buying centres (Robinson, Farris & Wind 1967; Webster & Wind 1972; LaForge & Stone 1989; Johnston & Bonoma 1981) or buying teams (Deeter-Schmelz & Ramsey 1995), whereas the buying process refers to a formalised view of describing how buying is conducted (e.g. Robinson et al. 1967; Webster & Wind 1972; Axelsson 1998; Ghinhold & Wilson 1998; Axelsson & Wynstra 2002; Van Weele 2005). Additionally to formalising buying, the buying process also acts as a guideline for the buying team.

Supply chain management entails controlling the flow of material, information, financial means, and services through the supply chain (Sehgal, Sahay & Goyal 2006). However, supply chain management seems to constitute an overview, with which the buying process is, or at least should be aligned. In contrast to a supplier choice process model that often functions as a manual for the purchasing manager and the rest of the buying team, the buying process describes the process for how purchases are carried
out and guides the buyer’s actions throughout the vendor selection process (Vyas & Woodside 1984). When buying raw materials, components or modules that are used for core production, supply chain management becomes of higher importance when compared to purchases that are not directly related to the core output of the company (Sehgal et al. 2006). When moving from existing markets and standard products to emerging markets and innovative solutions (e.g. when the buyer is moving beyond their area of core competence (cf. ‘core competence’; Porter 1985)), adopting a supply chain management approach and using a supplier choice process may become difficult. The buying process can still apply however. In conclusion, regardless if purchasing is studied as a dyad, chain or network (cf. Harland et al. 1999), the buying process still plays an important role. For example, the buying process is important when studying the connection between the buyer and the supplier on process level throughout relationship initiation.

2.4.4. Relationship orientation of buying process

Based on this review of purchasing literature, it has become evident that research related to the purchasing process is rather scarce. Most purchasing process models are characterised by adopting a normative stage model approach. Even if there are some differences between earlier models (e.g. Robinson et al. 1967; Webster & Wind 1972) and more recent developments of them (e.g. Ghingold & Wilson 1998; Axelsson & Wynstra 2002; Van Weele 2005; Quintens et al. 2006b), the differences seem minor, and are usually restricted to reducing, increasing or combining the steps. Moreover, with regards to relationship orientation, purchasing process models generally seem to adopt a transaction-oriented, rather than a relationship-oriented approach.

At first, the five-step buying model by Webster and Wind (1972) may seem quite simplistic. However, when comparing this model with how organisations actually buy (e.g. Kraljic 1983; Banting et al. 1985; Axelsson 1998), the match between theory and practice cannot be understated. The advantages offered by the five-step buying process model introduced by Webster and Wind (1972) includes that it can be used for buying both products and services, and that it can be applied to virtually any industry (cf. Munnukka & Järvi 2008). Furthermore, in order to study how buying relates to and affects relationship initiation, the model enables the isolation of the buying process from supply chain management. All phases of the purchasing process are included in supply chain management or global purchasing, from need recognition, definition of the specification list, through supplier selection and buying, to follow-up and post-purchase evaluation (Quintens et al. 2006a). Hence, even within a supply chain management process, the tasks and the steps presented in the five-step purchasing model exist; the tasks are simply integrated into the supply chain management process.

When considering existing buying process models from a relationship perspective, there seems to be a gap in the literature. For some reason relationship orientation does not seem to be discussed in the context of the buying process. The five-step buying process (Webster & Wind 1972) is widely deployed and has almost become a de facto standard in purchasing. Nevertheless, the model does not make any suggestions concerning relationship orientation. However, taking into account that the model was developed long before relationship marketing as a field on its own emerged, the lack of relationship orientation within it is understandable. It is much more surprising however, that in more recently developed buying process models (e.g. Ghingold & Wilson 1998; Axelsson & Wynstra 2002; Van Weele 2005; Quintens et al. 2006b), still do not seriously consider the aspect of relationship orientation.
In order to better understand and address those issues that are key to management of independent supply chain partners, Cousins and Spekman (2003) have studied strategic supply and the management of inter- and intra-organisational relationships. In their research they point out that, although the evolution of purchasing into being a strategic process is well noted in literature, the main reasons for entering into collaboration with suppliers were primarily for cost reduction purposes, followed by delivery and quality improvements, and supply base reduction strategies. The study, which was conducted across industry sectors, reveals that concepts such as improved time-to-market, joint production development; co-design and outsourcing were ranked last by the respondents. As stated by the researchers: “this would indicate that the main reason for entering into long-term relationships was to gain cost advantages” (Cousins & Spekman 2003:25).

In many companies, instead of adopting a supply management approach, buying has become a routine where the purchasers negotiate annual agreements with their suppliers (Kraljic 1983). Even if the purchasing company would be in favour of building long-term relationships with their (strategic) suppliers in general and on a strategic level, the purchasing team or the purchaser(s) may in fact focus on short-term gains. Many purchasers are part of the problem and not the solution (Cousins & Spekman 2003). These types of purchasers still keep suppliers at arm’s length. As pointed out by Cousins and Spekman (2003), this is unsurprising, since purchasing personnel usually take courses in negotiation, and rarely (if ever) in team-building, managing networks, or relationship management. Hence, the fact that purchasing is not regarded as a strategic resource is in many organisations partially self-inflicted.

Relationships in the buying context have been studied by some researchers, resulting in findings regarding the importance of personal relationship building in the forming of relationships between organisations (Lian & Laing 2007). Moreover, after identification and categorisation of the determinants for relationship formation (Oliver 1990), the variables for relationship formation have been combined with the various phases in the relationship development process into an integrative model (Wilson 1995). Additionally, which factors have the greatest value in which stages of the buyer-seller relationship has also received attention (Powers & Reagan 2007). It seems however, that research in purchasing has not taken a relationship-oriented view of the buying process, particularly during relationship initiation. This conclusion is supported by Lehtonen and Salonen (2005) who assert that the examples and models used in purchasing research tend to focus on the manufacturing sector and adopt a transactional view of purchasing. Meanwhile, services increasingly take up a larger share of an organisation’s buying expenditures. The increased share that is used for purchasing services combined with the fact that services are usually produced in an ongoing buyer-seller interaction (Grönroos 2007) increases the importance of a relationship approach in the construction of a buying model process (Lehtonen & Salonen 2005). Furthermore, in many industries there is a transition towards closer relationships and bigger purchasing entities taking place (e.g. Lehtonen & Salonen 2005), which adds to the importance of relationship orientation in purchasing. In conclusion, companies need to understand when adopting a relationship approach is worthwhile, what type of relationships there are, and how partnering relations should be structured (Kraljic 1983; Lehtonen & Salonen 2005).

Considering the literature that was reviewed, it seems that there is a need for a broader understanding of relationship orientation in the purchasing context. Furthermore, it seems that there is a need to develop a relationship-oriented buying process model (cf. Lehtonen & Salonen 2005).
When developing a relationship-oriented buying process model, some factors should be considered. Firstly, the model should be linked to the company’s purchasing strategy and approach. When adopting a purchasing portfolio approach (Kraljic 1983), it is important that the buying process is aligned with the selected purchasing strategy. It may be that the purchaser needs separate, or at least modified buying processes for strategic, leverage, bottleneck and routine purchases (cf. Kraljic 1983:112). Secondly, the relationship-oriented buying process should be flexible. This would enable the buyer to have one general buying process that they can adapt according to need. Hence, the same general buying process could be used as basis for various types of purchasing (cf. Kraljic 1983). Additionally, not all stages of the process model are needed in every case (Van Weele 2005). Thirdly, reward systems should guide purchasers to work according to the purchasing strategy and to follow the buying process. Unless purchasing personnel is measured and rewarded in a way that is in line with the purchasing strategy and that motivates them to work according to the buying process, it may lead to behaviour being different than was intended (Cousins & Spekman 2003). Fourthly, and perhaps most importantly, the relationship-oriented buying process should take the seller into consideration; the seller should be taken into consideration both implicitly and explicitly. In other words, the purchaser should facilitate the seller in adapting their sales process to the buyer’s buying process. This could be facilitated through communicating the general structure (as far as needed and required), milestones and time schedules of the buying process and by explaining expectations that the buyer may have regarding the seller and the seller’s actions. The goal with a relationship-oriented buying process model would be to enable efficient, effective and purposeful relationship initiation that, depending on the selected purchasing strategy, could lead to relational or non-relational business engagement between the seller and buyer.

2.5. Summary and conclusions

The aim of this literature review was to explore relationship orientation during relationship initiation between businesses as is presented in marketing, sales and purchasing research. The overall question that this study is focused upon is: How can the sales process become more relationship oriented? The purpose of this study is to develop a framework for strategic adaptation of the sales process. Following those guidelines, the main question that was explored in the literature review was: How do sales, buying and marketing literature refer to relationship orientation during buyer-seller business initiation? The goal of this literature review is to build understanding and arrive at the most holistic view possible of relationship initiation, especially on a process level. In order to study relationship initiation between the buyer and the seller, it is important to understand how the parties view relationship orientation. I regard relationship initiation as a process that is socially constructed between the seller and the buyer, and that this process is constructed through the seller’s sales and the buyer’s buying processes. Hence, in this chapter I have focused on the phenomenon from various perspectives.

The first main section constituted a review of the literature in relationship marketing research, focusing on the concerning relationship orientation between the seller and the buyer during relationship initiation. In the first sub-section, relationship initiation and relationship orientation through adaptation in relationship marketing were examined. Adaptation was presented as studied in marketing, selling & sales management, and purchasing contexts, and it was discovered that adaptation has a central role in relationship orientation. This was followed by a comparison of stages...
and phases as presented in relationship marketing literature in order to describe the progress that has been made in relationship initiation. The section concluded with an examination of the relationship initiation process. The second main section provided a review of research in sales regarding the sales process and relationship orientation of the process. In the first sub-section, historical developments of the sales function were presented. This was followed by more recent developments of the sales process. The section was concluded with a review of whether and how relationship initiation is being considered in sales and the sales process. The third main section constituted a literature review of purchasing with regards to the buying process. In the first sub-section, developments of the purchasing function were presented. This was followed by a perusal of relationship orientation within purchasing. After this, the buying process was studied in more detail. The section concluded with a review of whether and how relationship orientation is considered in the buying process.

The review of relationship marketing literature clearly shows that most research that has been conducted in the relationship-marketing domain has concentrated on existing relationships, whereas the initiation phase of relationships has received little attention (Aarikka-Stenroos & Halinen 2007; Edvardsson et al. 2008). Not until fairly recently, has the need for studying relationship initiation been addressed and some progress has been made. The relationship initiation process (Aarikka-Stenroos & Halinen 2007; Edvardsson et al. 2008) provides important input with regard to how relationship initiation can be viewed, i.e. as the outcome of an interaction between the seller and buyer prior to reaching a business agreement. The key participants in relationship initiation are the seller and the buyer. Thus, relationship initiation is constructed by and between them. Moreover, since the seller’s sales and the buyer’s buying processes guide actions of, and interaction between, the seller and buyer, both the sales and buying processes are linked to the relationship initiation process (Aarikka-Stenroos & Halinen 2007). In fact, the relationship initiation process may not only be closely connected to the sales and buying processes, but could constitute the outcome or overlapping of these processes. This however, has not been explicated in literature.

In summary, the review of sales and sales management literature reveals that, despite sales and selling having played an important role in the development of the modern industry (Powers et al. 1987), sales remains a relatively unexplored area in scientific research. Almost all research in sales concentrates on selection, motivation, compensation and, to some extent, on sales organisations (Sheth & Sharma 2008). Moreover, relationship selling is generally regarded as a tactical feature used for securing and building the relationships implicit in relationship marketing (cf. Comer 1991). Instead of being realised as a strategy, relationship selling is usually considered a tactical feature. In other words, relationship selling often adopts a short-term view from the seller’s perspective, rather than adopting a view of relationships that is based on developing mutual value and a win-win situation. At worst, sellers can engage in disguised transactional selling using elements of a relational approach to keep the customer from leaving: this ‘relational selling’ is used for ‘locking in’ the customers (cf. Shapiro & Varian 1999). Furthermore, although it has been recognised in literature that the sales and buying processes should constitute mirror images of each other, it is surprising how little scientific research has been conducted on sales, and especially on the sales process, which is the process that guides a sales force during relationship initiation.

The seven steps of selling model (Dubinsky 1980/81) is a widely used way for describing the sales process is. This type of sales process model may well be the oldest paradigm in sales (Moncrief & Marshall 2005). Until recently, this type of model has
dominated how the sales process has been understood and described. More recent developments regarding the sales process include the consideration of value creation in selling, which proposes that the seller should seek to create value for the buyer in each phase of the sales process (Rackham & DeVincentis 1998). One of the most basic premises in modern selling is that, in order to be successful, the sales force must create value for the customer (Cron & DeCarlo 2006). Using the purchasing process to exemplify situations in which the seller can facilitate value-creation for the customer (Rackham & DeVincentis 1998; Cron & DeCarlo 2006) demonstrates the importance of knowing what the buyer’s purchasing process looks like. The seller’s possibility of gaining knowledge of the buyer’s process requires a certain amount of participation from the buyer, i.e. openness regarding how their purchasing process is formulated. In other words, participation in this respect by the buyer may considerably increase value throughout the process, something that would benefit both the seller and the buyer (Grönroos 2008; Grönroos & Helle 2010). Furthermore, the relationship aspect has been previously touched upon in sales research to some extent, resulting in an evolving sales process model (Moncrief & Marshall 2005). This model not only focuses more upon the sales team (instead of only on the salesperson), but also recommends taking the customer into consideration and proposes adopting a relational approach for securing, building and maintaining profitable relationships with customers (ibid.).

Technological advancements and the Internet, together with the paradigm shift from transactional towards relational marketing (Vargo & Lush 2004; Grönroos 2006 and 2008), have had a considerable impact on the communication and interaction between the seller and the buyer. These advancements are also likely to have an effect on sales organisations and the sales process in future (Moncrief & Marshall 2005; Dickie & Trailer 2007; Sheth & Sharma 2008). Routine tasks are likely to become automated, but more complex, strategic and customer-focused tasks that cannot be automated are likely to become increasingly customer oriented. This is likely to result in a decrease in the transaction-oriented sales force; whereas an increase in the size of customer and relationship focused sales forces can be foreseen. Additionally, this development is likely to be reflected in the sales process; an automated sales process will guide routine sales, whereas non-automated sales require a customer and relationship-oriented process. In other words, instead of using the traditional sales process model that is designed from the perspective of the seller, a new sales process that adopts a relationship-oriented view is needed (cf. Rackham & DeVincentis 1998; Moncrief & Marshall 2005; Sheth & Sharma 2008).

In review of purchasing literature, it has been shown how the purchasing function has developed. Additionally to having undergone a metamorphosis from being a purely clerical task to becoming a strategic function, various purchasing approaches have been adopted (Cousins & Spekman 2003). Having started out as a supportive function, purchasing has now become an integral part of supply chain management. Additionally, various purchasing types and relationships have been identified (Gadde & Håkansson 2001). Purchasing can be centralised or decentralised. Furthermore, a company can adopt a transactional or relational approach on purchasing (e.g. Axelsson & Wynstra 2002). Moreover, depending on the situation, in addition to choosing one purchasing approach, the buyer may even apply multiple approaches (Kraljic 1983).

Despite the fact that the purchasing function has undergone considerable development in recent years, this is reflected very little in the buying process. A traditional approach to the buying process is that of the five-step buying process (Webster & Wind 1972), which (like the traditional sales process) is based on the AIDA(S) model (cf. Cousins & Spekman 2003). Although research in purchasing and supply chain management has resulted in additional or alternative buying process models, when considering
relationship orientation, little development has occurred since traditional buying process models were first used. Buying process models are designed exclusively from the buyer's perspective, leaving little room for relationship orientation. Surprisingly, even when adopting a purchasing portfolio approach (Kraljic 1983), in which part of the suppliers and purchases made are regarded as being strategic in purpose for the buying company, most portfolio frameworks seem to neglect the supplier's perspective (Hallikas et al. 2005). Instead of being intended for use as a tool for planning relationship initiation with new suppliers, the purchasing portfolio approach is primarily used for internally managing existing relationships. In other words, even if relationship orientation is to some extent visible in purchasing literature, it seems that there is a need for developing a relationship-oriented buying process (cf. Lehtonen & Salonen 2005), which would take the seller into consideration more effectively during relationship initiation.

Despite the fact that relationship marketing, sales, and purchasing literature all seem to support and understand the value of relationship orientation, when examining sales and buying processes, relationship orientation is not predominant. It seems that there is unawareness with regard to how relationship orientation could be applied on a sales and buying process level. Based on the literature review made, relationship orientation of the sales process could be conducted through adaptation. As pointed out by Brennan et al. (2003), a central characteristic of a relationship is that at least one party adapts to the other. In fact, adaptation is a concept of central concern in the study of buyer-seller relationships (e.g. Hallén et al. 1991; Gadde & Håkansson 1993; Brennan et al. 2003), and adaptation occurs on various levels and phases including that of relationship initiation between the seller and buyer (cf. Overby & Servais 2005). Adaptation occurs when one party (in a relationship) alters their processes or an item of exchange in order to accommodate the other party (e.g. Håkansson 1982). Underpinning the importance of adaptation in business relationships, Brennan's et al. (2003) statement corresponds to a statement by Hallén et al. (1991), which argues that since business relationships in general are based on a process of matching the operations between two companies, adaptations are important aspects of the relationships between businesses. In other words, relationship orientation includes process adaptation.

Involvement in the adaptation process and the contribution of the parties involved can vary (Brennan & Canning 2002). Whereas some changes might be conducted without a counterpart knowing, others may require some input from and the possible acceptance of the counterpart. More complex adaptations might require the involvement of both parties (Canning & Brennan 2004). Although both firms can be involved in adaptation, in many instances only one party in an exchange relationship actually performs the adaptation (Hallén et al. 1991). Furthermore, when adapting, the adapting party should know what to adapt, how to adapt, and what to adapt towards. Thus, the adapting party should have a starting point, a method, and a goal for adaptation. In research it is suggested that there is an overlap between adaptation and learning (Håkansson et al. 1999; March 1991; Knoppen et al. 2010). For example, the supplier has to learn about the buyer's service requirements before it can effectively adapt its product offering to meet the needs and requirements of the buyer (Knoppen et al. 2010). In other words, to be able to adapt, the seller has to acquire knowledge regarding the buyer. Hence, facilitating or enabling the adapting party to acquire knowledge, which enables or facilitates adaptation, could be part of relationship orientation.

Following the logic presented above, relationship orientation of sales and the sales process could involve adapting sales and the sales process to purchasing and the buying process. However, relationship orientation from the buyer's side would need to include facilitating (or enabling) the seller to adapt their sales and sales process to the buyer's purchasing and buying process. Since the sales and the buying processes are
‘mirror-images’ of the same (marketing) event (Comer 1991), the reverse could apply;
relationship orientation of purchasing and the buying process could involve gearing or
adapting these towards selling and the sales process. In that case, relationship
orientation from the seller’s side would include facilitating or enabling the buyer to
adapt their purchasing and buying process.

Although adaptation has been studied in various contexts in marketing, sales and
purchasing literature, the logic of adapting the sales and buying processes to each other
has not been presented or explicated. When discussing the internationalisation process,
Matthyssens, Quintens and Faes (2003) argue that purchasing and sales processes are
similar and that they may be interconnected. However, they refer to intraconnection
between the processes within an organisation, not to the interconnection of the buying
and selling processes between the buying and the selling organisations. Although it may
be the buyer that invites the seller into relationship initiation in some situations (Liang
& Parkhe 1997; Ellis 2000; Overby & Servais 2005; and Agndal 2006), it is often the
seller who is more active during the relationship initiation (Edvardsson et al. 2008).
Regardless of who makes the first contact, “purchasing is one of the last business
functions that has the potential for a double-digit impact on a firm’s performance when
improved or expanded” (Quintens et al. 2006a:178). Hence, it could be assumed that
the buyer would be prepared to facilitate or enable the seller in adapting or gearing
their selling and sales process towards the buyer and the buying process as this is likely
to benefit both the buyer and the seller.

Based on this literature review regarding relationship orientation in sales, buying, and
relationship marketing research, it seems that there may be a need for a strategic sales
process adaptation framework in a business context. In order to develop such a
framework, the following topics or themes will be explored further together with
empirical data: understanding of the sales process (which contributes to understanding
what to adapt), adaptation of the sales process (in order to find out how to adapt), and
combining sales and buying processes (which contributes to evaluating the feasibility of
fully adapting [or integrating] the above processes).

Through studying understanding of the sales process, my goal is to explore how not
only the seller but also the buyer views the sales process. Additionally, in order to arrive
at a more holistic view of sales in the context of relationship orientation, the buying
process is also studied. Studying understanding of the sales process can be summarised
in the following question that will be studied by the means of examining empirical data:

**How is relationship orientation in the context of a sales process understood?**

The goal of studying adaptation is to understand how the sales process could become
more relationship oriented. In order to arrive at a more holistic view of sales process
adaptation in a relational context, both the seller and buyer are studied. Additionally to
adaptation, facilitating or enabling adaptation is explored. This is summarised in the
following question:

**How is or could the sales process be adapted to the buying process?**

Exploring sales and buying process combination is, in comparison to adaptation, taking
a major step further towards the integration of these processes. Additionally to
adaptation and facilitating adaptation, the integration of these processes could form the
ultimate step for relationship orientation of the sales and buying processes, even
resulting in a relationship initiation process. This topic area is summarised in the
following question:
If possible, how can the sales and buying processes be combined?

Studying these three topic areas by the means of empirical data results in guidance and implications for developing a framework for strategic sales process adaptation during relationship initiation in the business context, thereby improving relationship orientation and enhancing business performance.
3 METHODOLOGY AND DATA ANALYSIS

The previous chapter discussed findings in relationship marketing, sales, and purchasing literature regarding the relationship orientation of the sales process through adaptation at large. Based on these findings, certain topics or themes to be explored further using empirical data were presented in order to develop a framework for strategic adaptation of the sales process in a business context. These themes are: understanding of the sales process (understanding what to adapt); adaptation of the sales process (finding out how to adapt); and combination of the sales and buying processes (for complete adaptation, or integration, of the processes).

In this chapter, the methodology and data analysis applied in this study are presented. First, the case study method is described. This includes a presentation of a case study, and a discussion of preunderstanding. Second, the selection of the case through which data were collected, and the selection of informants are presented. Third, the interview process is discussed. Fourth, data analysis is presented; including coding and categorisation, analysis and interpretation, and handling of alternative interpretations.

3.1 Case study method

When stating my methodological standpoint 'broadly' (Silverman 2005:99), it is qualitative rather than quantitative in approach. In my view, based on my research problem and my research topics, a qualitative rather than a quantitative approach is more appropriate. In contrast to quantitative research that is designed to answer research questions in terms of numerical quantities, qualitative research (which produces data that are verbal and behavioural in nature rather than numerical and statistical), is aimed at to understand the nature of a business situation (Wallace 1984). When viewing my methodological approach more 'narrowly' (Silverman 2005:99), I apply case study. Generally speaking, case studies are the preferred method when 'how' and 'why' questions are being posed or when the focus is on a contemporary phenomenon in a real-life context (Yin 2009).

With regards to the strategy used for data collection and fieldwork, I believe that qualitative data is suitable for studying cases and for generating data. The reason for this is that while studying a single case, qualitative methods enable me to go into greater depth than would be possible using quantitative methods (such as conducting a survey) (cf. Gummesson 2000). In order to facilitate effective triangulation of data, I have studied the seller and buyer that were part of the same dyad. Moreover, I was personally involved in the case throughout the entire relationship initiation phase. Encouraging contextual engagement, Patton (1990:25) states “to understand fully complexities of many situations, direct participation in and observation of the phenomenon of interest may be the best research method.” In this case, although I was personally involved in the case, I did not conduct management action research or action science (Gummesson 2000). Instead, ‘contextual engagement’ was widened from the researcher (myself) to include informants who were interviewed. The fact that all informants participated in the case means that they share the same experience, which facilitates the comparison and completion of their individual responses, thereby arriving a more complete picture. Moreover, the fact that I participated in the case ensured a purposeful and meaningful selection of the informants; only informants that were participating in the actual case were selected. The method that I used for data collection was semi-structured interviews with multiple key informants.
With regards to data analysis, I have drawn from hermeneutics, constructionism and interpretivism. Using the *hermeneutic circle* (Gummesson 2000; Eriksson & Kovalainen 2008), moving back and forth between empirical data and theory, and by the means of triangulation of informants’ responses, I aim to arrive at a deeper understanding of adaptation and the sales process. Based on this, a framework for strategic adaptation of the sales process has been developed.

Simultaneously as the case can be regarded as being unique, I have placed the findings in a certain context and sought to generate findings in the form or patterns that could be extrapolated and adapted in new settings. Additionally (especially since I have personally been involved in the case), I have placed strong emphasis on portraying the world authentically. In order to avoid my direct involvement in the case from affecting the outcome of my analysis in a negative way, I tried to stay neutral: I am being self-analytical, aware of the situation, and self-reflective.

### 3.1.1. Case study research

To an increasing extent, case study research has become common in many scientific disciplines (Dubois & Gadde 2002). The use of case studies for research purposes seems to be the most common method currently used in industrial network studies (Dubois & Gadde 1999) and is becoming increasingly widespread in management research (Gummesson 2000). Although still under-exploited in business and management disciplines (Gummesson 2007), cases studies are widely used in business-to-business contexts; however, in order for case studies to produce useful scientific research, Gummesson (2000) emphasises the necessity for access, preunderstanding, and firsthand experience of decision-making, implementation, and change processes.

The authors that I have studied have defined the case study approach in somewhat different ways. Focusing on theory building, Eisenhardt (1989:534) emphasises understanding and defines a case study as “a research strategy, which focuses on understanding the dynamics present within single settings”. Miles and Huberman (1994:25) define a case as “a phenomenon of some sort occurring in a bounded context”. Emphasising the real-life context, Yin (2009:18) defines a case study as “an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident”.

Case studies vary in character, but according to Gummesson (2000:85), two *types* of case studies are of particular interest. The first type attempts to draw general conclusions from a limited number of cases. The second type is based on a single case, from which specific conclusions are derived. Furthermore, a distinction between these three types of *case study research use* can be made: *exploratory, descriptive, and explanatory* (Yin 1994). An *exploratory* case study is a pilot study that can be used as a basis for formulating more detailed (research) questions or a testable hypothesis. The *descriptive* case study attempts to describe a situation or an occurrence, whereas *explanatory* case study research attempts to explain what is being researched.

Case study research is a useful strategy both for studying processes in companies, as well for explanatory purposes (Gummesson 2000). An important advantage with the case study approach is that this method allows researchers to “retain the holistic and meaningful characteristics of real-life events, such as individual life cycles, small group behaviour, organisational and managerial processes” (Yin 2009:4) in their studies.
Gummesson (2000), who advocates case studies when studying processes, stresses the advantage of a holistic view of a process:

“The detailed observation entailed in the case study method enable us to study many different aspects, examine them in relation to each other, view the process within its total environment and also utilise the researcher’s capacity for ‘Verstehen’” (Gummesson 2000:86).

As discussed by Dubois and Gadde (1999), some cases focus on processes and others on structures. In this study, the focus is on the strategic adaptation of the process that describes and guides selling. In the telecommunications industry, where young and innovative firms often provide cutting-edge and innovative solutions to mobile operators, it is common that firms interact directly with each other, rather than in a larger network context. The seller generally has to adapt to the buyer’s needs and business processes. This adaptation includes the adaptation of selling and sales during relationship initiation. Guiding the buyer’s purchasing, the buying process is a key element during relationship initiation. For the seller to be able to allocate their scarce sales resources efficiently, there is a need for better understanding of the sales process and how to adapt it to the buying process. Through studying a case, I sought to arrive at a more profound understanding of adaptation and the sales process at large during relationship initiation.

In any research, as pointed out by Grünbaum (2007:88), the unit of analysis should always be identified. Some researchers define the unit of analysis being equal to the case (Patton 1990; Miles & Huberman 1994; Yin 2009). Another approach for defining the unit of analysis is to conceptually separate the case and the unit(s) of analysis: the unit of analysis constituting the micro level and the case being closely and logically connected with the unit of analysis (Grünbaum 2007). Since I study a single case with several ‘embedded’ units (cf. embedded single case study design, Grünbaum 2007:87), both definitions could apply. However, instead of simultaneously applying both units of analysis, they could be applied in different phases: when conducting the within-case analysis, each informant implicitly constitutes the unit of analysis; and when progressing to cross-case analysis, a case constitutes a logical unit of analysis. However, as I regard both the within-case analysis and cross-case analysis as constituting parts of the whole analysis, a division of the definition of unit of analysis between them does not serve the intended purpose of clarification – to the contrary, it might unnecessarily complicate the analysis of the embedded case. Hence, in this study, the unit of analysis is defined being the case that focuses on adaptation of the sales process at large (cf. Miles & Huberman 1994; Dubois & Gadde 1999). ‘At large’ refers to the connectedness of the sales process to a relationship-oriented mindset via the buying process during relationship initiation. In other words, instead of begin viewed as a hermetic process, the sales process is regarded as being closely connected to the buying process, and thereby to a relationship-oriented mindset. Adaptation relates to how the sales process is affected by the buying process.

With regards to using case studies as basis for theory development, both the weaknesses and strengths of this approach have been pointed out by researchers. Eisenhardt (1989:546) states: “one strength of theory building from cases is its likelihood of generating novel theory” and through having been studied in a real-world setting, “the resultant theory is likely to be empirically valid”. In contrast, as stated by Yin (2009), criticism towards the case study approach include that it provides little basis for scientific generalisation. Hence, it has not always been regarded a proper scientific method (ibid.). Furthermore, according to Eisenhardt (1989), weaknesses mentioned include that the rich amount of empirical data involved can yield theory which is overly complex, and that there is a risk of the developing a theory that seeks to
capture everything – resulting in a theory that is rich in detail but lacks an overall perspective. Another weakness that theory building from cases can result in is narrow and idiosyncratic theory and “that the theorist is unable to raise the level of generality of the theory” (Eisenhardt 1989:547). According to Easton (1995), three types of weaknesses in case studies and how they are used can be distinguished. First, some case studies are merely descriptions of events, expecting the reader to draw the conclusions. Second, some case studies are only loosely or partially connected to theories and frameworks. Third, sometimes case study research is based on multiple cases, implying some level of statistical generalisation.

Bearing in mind the criticism that case study research has faced, this study does not aim for statistical generalisation of the results or case comparison (cf. Yin 2009), but instead tries to transfer or extrapolate knowledge from them. When considering the context and historical background, each relationship setting is unique, which makes it difficult to compare relationship initiations (cf. Halinen & Törnroos 2005). Moreover, this study, which is analytic in nature, aims to develop a more profound understanding of adaptation of the sales process at large during relationship initiation in a business context, in order to make the process more relationship oriented. Hence, since case study research provides a greater opportunity than other available methods to obtain a holistic view of a process (Gummesson 2000), the case study approach can be considered appropriate for my research.

3.1.2. Preunderstanding

According to Gummesson (2000), academic researchers give inadequate consideration to the importance of preunderstanding when choosing their scientific approach and methods. Whereas preunderstanding refers to the person’s knowledge, insights, and experience before commencing research, understanding refers to the improved insights emerging during the research (Gummesson 2000). In other words, preunderstanding facilitates understanding of the research setting and the phenomenon that is being studied. In contrast, lack of preunderstanding will cause the researcher to spend considerable time gathering basic information in order to grasp ‘what is going on’.

Before commencing my research, I had in-depth preunderstanding of sales and buying processes in a business context, and the relationship initiation setting due to extensive working experience across industries. I began my career 1995 in the automotive industry as sales and marketing support. As a change agent, my main responsibilities included guiding and leading the sales organisation from short-term transactional selling to value-based and relational selling. Some time later, I switched organisations and worked abroad as assistant trade commissioner for Finland. During this time, working as a sales and business development consultant, my main responsibilities included furthering Finnish export through finding and initiating potential partnerships and relationships between businesses. As the international counterparts were often large enterprises, key factors for success included becoming aware of how they buy, i.e. what their buying processes look like. In this position, I was between the seller and the buyer, always taking both parties into account in order to arrive at a win-win outcome. After holding this position, I became a sales and business development consultant to a large number of international companies from a variety of industries. Additionally to consulting with clients in order to develop their sales, my responsibilities included developing the relationship focus on all levels in the companies, especially in the sales function. During the years 1999 to 2001, I became partner in a software start-up company in the telecommunications arena. Assuming the
responsibility for sales, my main responsibility was to create sales and to develop their sales function. Developing the company from having less than ten people in staff to becoming an approximately one-hundred-person company with sales offices and personnel in three countries and selling the solutions and closing deals with mobile telecommunications operators and OEMs, at the same time as recruiting, training and managing sales staff was a major undertaking. During this time I understood the importance and function of the sales process. Simultaneously, providing a novel solution to buyers, I became deeply involved in their processes, and was especially exposed to their buying processes. Once this chapter was finished, I resumed my role as sales and business development consultant and have since then helped many software companies in the telecommunications arena to develop their sales and businesses across Europe. Although ‘consultant’ often refers to assuming an external or semi-external position in the client company, in my case the focus has been very much internal, i.e. being a ‘part of’ the sales and management team. Simultaneously, I have acted as a consultant to buyers, guiding them in the creation and generation of new services using the novel solutions that my clients provide. Having been deeply and directly involved in the sellers’ and buyers’ processes, guiding them in relationship initiation, and acting ‘from within and above’ during relationship initiation in order to reach mutually rewarding and satisfying co-operation between the parties, I have realised the importance of the involvement of both the seller and buyer and how it is important to understand the viewpoint of both parties.

All positions, assignments and projects in which I have been involved have been related to relationship initiation in a business-to-business context. Having witnessed the challenges faced by both the seller and buyer during the relationship initiation phase, my curiosity for finding a possible solution was aroused. It seemed that the challenges were to a large extent caused by lack of relationship orientation, not only with regard to how companies sell and when constructing their sales processes, but also in how companies buy and construct their buying processes and policies. This gave me the inspiration to conduct this study.

Regarding the case that is examined in this study, I was engaged as a sales and business development consultant, mainly representing the seller, but simultaneously taking the buyer’s need, requirements and constraints into consideration. I was engaged in the relationship initiation between the companies from beginning until signing of the contract and beyond. In other words, having followed every step, and participated in nearly every meeting and telephone call between the parties, as well as drafting, negotiating and signing contracts between the parties, I was deeply involved in the case.

When studying this case, most of the information could not have been obtained or understood without having being directly involved with the companies and the case. For this reason, I consider that in order to be able to collect and properly analyse the data, my preunderstanding related to this case was crucial.

3.2. Case description and selection of informants

In this section, a description of the case and the selection of informants is provided. Firstly, the selection of the case is described. Secondly, the companies that were part of the case are presented. Thirdly, the selection of informants from both the selling and buying companies is described.
3.2.1. Selection of case

As pointed out by Eisenhardt (1989:537), "while the cases may be chosen randomly, random selection is neither necessary, nor even preferable". Instead, it makes sense to choose cases where the phenomenon is observable. Yin (2009), stresses that when making a selection, the case must be significant. Hence, I regarded it pivotal to select a case that reflects a typical situation in the telecommunications industry when a small and innovative firm aims to engage in business with a large mobile operator. Throughout the past fifteen years or so it has been common that software-based innovations in the application layer in particular, and enabling technology in the telecommunications industry in general are developed and provided by startups (often spin-offs from research projects at universities). These firms are often financially backed by venture capital firms, which expect a considerable return on their often high-risk investments. As the window of opportunity for new innovations is often short, the startups need to exploit their 'first-mover advantage' (Shapiro & Varian 1999:168) and quickly engage in business with operators of considerable size. In such situations, where startups, which do not necessarily have formalised business processes act as sellers, and large mobile operators, which have and follow formalised business processes act as buyers, the importance and role of adaptation becomes evident. According to my experience from having been involved in a number of industries, the scenario where a smaller selling company does not have or follow a formalised sales process is rather common across various industries. That a seller follows a formalised sales process is not necessarily an indication of how relationship oriented the company is; a company that follows a formalised sales process can in fact be either relationship oriented or transactionally oriented. The main focus in this study however, is not on how formalised a sales process the seller follows, but rather on studying the aspect of relationship orientation through adaptation. Challenges related to adaptation include what, how and when to adapt.

The reasons for selecting one case (instead of two or more) include that instead of comparing between companies, I focus on studying a case that is rather typical in nature and significant for the purpose of this study. Although I am subscribing to the constructivist viewpoint (which includes that I regard each case as being unique and that I am not striving for statistical generalisation, which could form a reason for choosing to study more than one case (cf. Easton 1995)), I seek to develop theory that can be applied in various settings; the findings should result in knowledge that can be extrapolated to other situations and contexts (including to other companies and industries). When testing theory, the requirement for statistical generalisation is usually emphasised. When aiming for theory development however, as in this study, a single-case study that provides in-depth knowledge about the phenomena that is being studied can be considered both as a justified and appropriate choice (cf. Eisenhardt 1989). An additional reason for choosing to conduct a single-case study is that I consider it pivotal to have the preunderstanding and industry knowledge required to properly understand the situation and to be able to correctly interpret the collected data. The case should preferably be one in which I have personally been involved in and to which I have continuous access (Patton 1990; Gummesson 2000).

Applying purposeful sampling, I selected a typical information-rich case that was appropriate for being studied in-depth. Purposeful sampling includes several different strategies (Patton 1990; Miles & Huberman 1994; Silverman 2005). My general strategy for case selection comes close to intensity sampling (cf. ‘intensity sampling’; Miles & Huberman 1994:28), which refers to collecting information-rich cases that provide data regarding the phenomenon of interest, without being extreme or deviant.
Additionally, I apply the method of case study in retrospective (Gummesson 2000). My strategy for within-case sampling can be regarded nested (cf. ‘nested’; Miles & Huberman 1994:29).

3.2.2. Case companies

In order to study the whole sales process at large, I considered it important that the selling-buying process, or relationship initiation phase, has been completed instead of still being ongoing. Additionally, in order to extrapolate from the case to other settings, I considered it preferable (but not necessary) that the relationship initiation phase has resulted in a business contract and business engagement between the seller and the buyer.

Criteria applied for purposeful sampling of a case is presented in Table 6. When searching for suitable cases, in order to maximise my preunderstanding of the case, I first went through the cases that I was or had been involved in, where I had ‘been part of the action’ (cf. Gummesson 2000:116). Several of the persons I asked were willing to have participated in my study. Applying the basic selection criteria described, I ended up with five possible cases. Furthermore, since I wanted to study the sales process at large, i.e. not only from the seller’s perspective but also through the buyer, cases where both the seller and the buyer were prepared to participate in the study were the target. In one of the cases, the seller had very recently been acquired by another company, which caused changes in the organisation that negatively affected some of the staff’s willingness to participate in the study. In two other cases, some of the key members in the buying team did not feel comfortable participating in my study, mostly due to fear of possible consequences by breaching their internal non-disclosure policies. In the two remaining cases, all parties were willing to participate, provided that the non-disclosure agreements that had been signed during the relationship initiation are respected. The choice between the two cases was conducted based on my non-disclosure agreements with the companies. In the case that I finally selected, my non-disclosure agreement with the companies had recently expired. However, even in the case that was finally selected, some members of the selling team and all members of the buying team requested that I do not reveal the true identities of the persons involved or of the companies. Respecting this condition, I decided to treat all informants and companies anonymously. An alternative to this could have been to make a request to the legal departments of the companies for full disclosure, which (especially in the case of the buying company) would have been a serious undertaking that was very likely to be rejected. More importantly, with regards to my research, treating the informants and companies anonymously does not cause any negative effects. Trusting me to respect this agreement, several of the informants were more open and even provided me company internal information to which I otherwise would not have been granted access.
Table 6  Purposeful sampling criteria for the case

<table>
<thead>
<tr>
<th></th>
<th>Case I</th>
<th>Case II</th>
<th>Case III</th>
<th>Case IV</th>
<th>Case V</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information-rich case</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Being ‘part of the action’</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Relationship initiation completed</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Successful completion of relationship initiation</td>
<td>Yes (although future seems unclear)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Both seller and buyer willing to participate</td>
<td>No (seller recently undergone M&amp;A)</td>
<td>No (members of buying team fear breaching NDA)</td>
<td>No (members of buying team fear breaching NDA)</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Full disclosure of events possible for me</td>
<td>Yes</td>
<td>No (possible solution: anonymisation)</td>
<td>No (possible solution: anonymisation)</td>
<td>No (possible solution: anonymisation)</td>
<td>Yes (however key informants requested anonymisation)</td>
</tr>
</tbody>
</table>

By carefully applying my criteria for purposive sampling, I evaluated a number of possible cases. This evaluation finally resulted in the selection of the one case that was become studied. The case that I selected is Case V, which fulfilled my sampling criteria: i.e. it is an information rich case; I had personally been involved in the case; the relationship initiation phase had been completed and it had resulted in a business engagement between the parties; both the seller and buyer were willing to participate in the research; and there were no legal restrictions (in terms of non-disclosure agreements) that could have prevented me from studying the case. Furthermore, I had continuous access to the case and the participants.

Next, the seller and the buyer in the case are described. However, respecting my agreement with the key informants not to reveal their true identities, both the informants and companies are presented anonymously.

**Software application vendor**

The seller in the case is a software application development company that can be categorised as a small-to-medium-sized enterprise. The company employed
approximately fifty people and operated from four locations in Europe and Asia: company headquarters, where management, sales, marketing, and a part of research and development were located; the development and project management office, and two sales offices, one in Europe and one in Asia.

Mobile telecommunications operator

The buyer in the case is a very large international mobile telecommunications operator. The company employs over twenty thousand persons and has over twenty million subscribers. Globally, the operator has over one hundred million subscribers, making it one of the largest operator groups in the world.

3.2.3. Selection of informants

As pointed out by Kumar, Stern and Anderson (1993:1634), relying on key informants is considered appropriate when the content of inquiry is such that complete and in-depth information cannot be expected from representative survey respondents. However, the informants were not chosen in order to be representative of the members of the studied organisation in a statistical sense, but were selected based on their knowledge about the issues being researched, and ability or willingness to communicate them (ibid.).

Hence, through applying what can be regarded as a nested strategy for within-case sampling (Miles & Huberman 1994:29), I selected persons within the companies that were directly involved in and representatives of their respective companies in the selling-buying process during relationship initiation.

Next, I will describe all key informants with whom I conducted in-depth interviews.

Informants at software vendor

The persons who represent the seller in the selected case had the following functions and roles within the firm (listed according to interview order): VP of sales (vice president of sales), Chairman (of the board), Sales engineer, President (which the company uses instead of CEO – Chief Executive Officer), and Product manager. The seller’s informants and corresponding codes that are use in the excerpts in chapter 4 are presented in Table 7. Additionally, the number of transcribed pages associated to each document is presented in the table.

<table>
<thead>
<tr>
<th>Table 7 Seller’s informants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informant</td>
</tr>
<tr>
<td>VP of sales</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Chairman (of the board)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Sales engineer</td>
</tr>
</tbody>
</table>
The above informants at the selling company are listed in the chronological order in which they were interviewed.

Although all informants were deeply involved in the case, due to their different functions within the company, not everyone possessed all relevant information with regards to the case. However, by interviewing them all, the combined and cumulative knowledge provides as accurate a representation as possible of the seller’s view of the case.

Informants at the mobile telecommunications operator

The persons that represent the buyer in the selected case had the following functions within the firm (listed according to interview order): Product manager (1), Product and proposition manager, Purchasing manager, and Product manager (2). The buyer’s informants and corresponding codes that are used in the excerpts in chapter 4 are presented in Table 8. Additionally, the number of transcribed pages associated with each document is presented in the table.

<table>
<thead>
<tr>
<th>Informant</th>
<th>Interview transcripts</th>
<th>Transcript pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product manager (1)</td>
<td>WS310047</td>
<td>1-11</td>
</tr>
<tr>
<td></td>
<td>WS310048</td>
<td>12-24</td>
</tr>
<tr>
<td></td>
<td>WS310049</td>
<td>25-26</td>
</tr>
<tr>
<td>Product and proposition manager</td>
<td>WS310053</td>
<td>1-17</td>
</tr>
<tr>
<td></td>
<td>WS310054</td>
<td>18-19</td>
</tr>
<tr>
<td>Purchasing manager</td>
<td>WS310058</td>
<td>1-19</td>
</tr>
<tr>
<td></td>
<td>WS310059</td>
<td>20-22</td>
</tr>
<tr>
<td>Product manager (2)</td>
<td>WS310062</td>
<td>1-17</td>
</tr>
<tr>
<td></td>
<td>WS310063</td>
<td>18-19</td>
</tr>
</tbody>
</table>

The above informants at the buyer are listed in the chronological order in which they were interviewed.

Although key informants include two product managers and one product and proposition manager, to some extent they all had different areas of responsibilities. In order to distinguish between the two product managers, they are referred to as Product manager 1 and Product manager 2 in the empirical part.
As in the case of the seller, all key informants from the buying company were deeply involved in the case. However, due to having somewhat different functions within the company, or entering the case at somewhat different times, once again not everyone possessed all relevant information regarding the case. Interviewing them all however, resulted in a combined body of knowledge that provides a detailed representation as possible of the buyer’s view.

In order to distinguish my informants from others with similar functions or roles, each informant’s position is spelled with a capital letter (e.g. Purchasing manager). When referring to the findings from literature or more general statements (which are not directly referring to the informants), the title is spelled with a low-key letter (e.g. purchasing manager).

3.3. Interview process

Empirical data were collected by the means of semi-structured interviews. In order to collect data related to the sales process at large, I asked the informants a set of questions related to the three main research themes as described in section 2.5.

A total of nine in-depth interviews were conducted in April and May 2008. Using purposeful sampling, each informant had been pre-selected and contacted prior to the interview. When contacting them, I stated the case regarding which I wanted to conduct the interview. However, I did not reveal which questions I would ask them in advance.

The interviews were conducted in five locations in two cities in Northern Europe and in four locations in three cities in Central Europe. Three of the five locations in Northern Europe were conference rooms, one was the office room of the informant, and one was a public cafeteria. The locations in Central Europe were: private residence of the informant, conference room, office of the informant, and a public cafeteria. All locations were calm, except for the private residence in Central Europe, which was started in the informant’s garden. Half way through this interview, a neighbour began mowing their lawn, which severely affected the audio quality or the digital recording of the interview and forced us to interrupt the interview. However, the interview was resumed a few minutes later inside the residence of the informant. All informants had reserved enough time for the interviews and none of them seemed stressed or pressed for time.

The purpose of interviewing is to regard the research topic or phenomenon from the perspective of the informant (King 2004). According to Patton (1990), the quality of the data that is gathered through an interview is to a large extent dependent on the interviewer. In interviews, data is often created by the interaction between the interviewer and interviewee (Gummesson 2000). Hence, it is recommended to begin with “warm up” questions that the interviewee can easily answer, thereby creating a comfortable environment.

The interviews with the key informants were conducted in a conversation mode and the main questions were open-ended. Additional, unplanned questions were used when appropriate and necessary. Throughout the interviews, maximum flexibility was maintained, allowing for the interview to flow back and forth between topics if needed. Each interviewee was allowed enough time to reflect after each question, and sometimes they returned to a previously asked question to add to their previous
answers. After each interview, the informants were asked if they had anything to add to any of the topics discussed, and all except one used this opportunity to add to or clarify some of their previous responses or comments.

The first interview in particular produced additional information, which I added to my interview guide in order to discuss the topic with following key informants. After each interview, the interview guide was reviewed and modified as needed. The interviews lasted from 45 minutes to 3 hours, the first being the longest. All interviews were digitally recorded, and later transcribed verbatim. Although transcribing was very time consuming, it facilitated the early phase of data analysis. While transcribing, I mentally went back to the situation of the interview, to the time, place and setting. The nine in-depth interviews resulted in between 9 to 26 single-spaced A4-pages of interview transcripts each, and the total amount of pages recorded was 161.

Based on the responsiveness, behaviour, and openness of the informants, I am convinced that my interviews were successful. According to Patton (1990), a good interview results in the informant(s) knowing or becoming aware of something new about themselves. When I expressed my gratitude to the informants for allocating their time for the purposes of my research and for their openness, they all stated that it they too had enjoyed and learnt something new from the sessions. Additionally, they all offered their help and stated their willingness to respond to further questions should I consider this necessary. In other words, I had continuous access to the case and the informants as suggested by Gummesson (2000). The access to the informants is validated by the fact that when contacting them some months later, the vast majority of them asked how my study is progressing, and offered to respond to additional questions, should this be required.

3.4. Data analysis

With regards to data analysis, I have drawn from hermeneutics, constructionism and interpretivism. Using the hermeneutic circle (Gummesson 2000:70; Eriksson & Kovalainen 2008), moving back and forth between myself and the interviewees’ experiences, recollections, preunderstandings, beliefs and interpretations as well as secondary data, I aim to arrive at a more profound understanding of the sales process during relationship initiation and how a more relationship-oriented sales process in a business context can be constructed.

Although some researchers consider that analysis begins already with the coding of the data (e.g. Miles & Huberman 1994; Spiggle 1994; Patton 2002), I make a distinction between coding and categorisation, data analysis and interpretation. This distinction better illustrates the main phases in my data analysis process.

In this section, coding and categorisation of data, interpreting the data, and handling of alternative interpretations and contradictory data will be presented.

3.4.1. Coding and categorisation of the data

Miles and Huberman (1994) state that it is close to impossible to understand how a researcher arrived to their final conclusions from what can be thousands of pages of field notes and interviews transcripts. The vast amount of data that case study research is sometimes based on did not constitute a major challenge in this study. In contrast to
unstructured interviews, in this study, my preunderstanding and the semi-structured interview technique helped to arrive at a more structured approach for studying the sales process in case study context.

The starting point for the analysis was the transcript pages that were generated from the recorded interviews. As the case often is when following a systematic combining approach, on a mental level, data analysis was an ongoing and continuous process. Formally however, data analysis began with coding and classification of data. In order to be able to analyse and interpret a large amount of data, the researcher first needs to reduce the amount of data using patterns, categories, and themes (Creswell 2003). However, as pointed out by Miles and Huberman (1994:100), the researcher also has to avoid over-reduction of the amount of data, as this can obscure understanding.

Coding and categorisation of data were conducted in several rounds. Codes are tags or labels for assigning units of meaning to data in the form of ‘chunks’ of varying sizes – words, phrases, sentences, or even whole paragraphs (Miles & Huberman 1994:56). Categorisation refers to the process of classifying or labelling coded units of data (Spiggle 1994:493).

In early rounds of coding and categorisation, various coding techniques such as colour coding and labelling as well as methods for categorisation were applied and tested. Additionally, before deciding which tools to use for coding and categorisation, I tried both ‘traditional’ and computer-assisted coding and categorisation. Due to the size and nature of the data that had been collected, and in order to maintain full control of the process, I opted for traditional coding and categorisation; constantly keeping in mind the three research themes (understanding, adaptation, and combining), and focusing on the question that was discussed, as well as using colour pens and tables when going through the data.

With regards to categorisation of the data, three themes formed the main categories, and each question formed a ‘sub-theme’ that I examined. The fact that I conducted semi-structured interviews where the questions, or rather discussions, focused on themes significantly facilitated the coding of the data. After coding the data directly in the transcripts, the ‘chunks’ of data that would undergo further analysis were categorised according to theme. Due to the semi-structured nature of the interviews, which allowed the informants to move back and forth between topics and themes, categorisation included the rearranging of parts of the transcribed data. Saving the original intact transcripts for possible later or further review, rearranging of the data or chunks according to relevant topics, themes and sub-themes was conducted in a second set of transcripts. Until this stage, all data remained in their original languages. Next, after the ‘mechanical’ phases of coding and categorisation, analysis and interpretation of the data followed. At this stage, the relevant passages and chunks were translated into English, and the original versions were used as supportive material.

3.4.2. Analysing and interpreting the data

Early analysis helps the researcher “cycle back and forth between thinking about the existing data and generating strategies for collecting new, often better, data” (Miles & Huberman 1994). Following their recommendation, the analysis - or in my view rather the pre-analysis - of data was started early, already when collecting data. The formal analysis of data was conducted in two stages; first as within-case analysis after which it was aggregated to cross-case analysis (cf. Eisenhardt 1989; Yin 2009). However, with
cross-case analysis I do not refer to traditional analysis between multiple cases, but rather to analysis between the embedded units – the seller and buyer – in the single case that I study.

Examining the information provided by the informants representing the seller and the buyer, the within-case analysis provided descriptions regarding the sales process at large by the seller and the buyer in the case. Data provided by each informant were analysed in a three-stage process proposed by Miles and Huberman (1994): data reduction, data display, and the drawing of conclusions. During the process of analysis, I used tables and matrices in order to facilitate the analysis process, paying attention not to overly simplify. First, I analysed the responses of each member of the selling team. Second, I analysed the responses of the informants of the buying team. Third, I aggregated the level of analysis from the level of individual members to the level of the selling company. Fourth, I aggregated the level of analysis from the members of the buying team to the level of the buying company. The overall goal with the described approach was to become intimately familiar with the case, allowing the unique patterns of the case to emerge before pushing to generalise patterns across the case as a whole (cf. Eisenhardt 1989).

The cross-case analysis was applied to aggregate from the seller and buyer level to a level that combines both. As stated by Eisenhardt (1989:541), “the idea behind cross-case searching is to force investigators to go beyond initial impressions”. Moreover, cross-case analysis improves the probability that theory development will fit with the data (Eisenhardt 1989). As in within-case analysis, the steps proposed by Miles and Huberman (1994) were also followed in cross-case analysis. After countless iterations and careful analysis of and between the parts and the whole, an aggregated level of the case where all nine informants and both the seller and the buyer are included was reached.

In the vein suggested by Wolcott (1994), my analysis and interpretation follow the path of description, analysis, and interpretation. Description that addresses the question ‘what is going on here’ includes data consisting of observations made by the researcher or reported to the researcher by others (Wolcott 1994:12). Analysis addresses the question ‘how things work’ i.e. it focuses on identification of essential features and the systematic description of inter-relationships between them. Interpretation addresses the processual questions of meaning and contexts: ‘what does it all mean’ and ‘what is to be made of it all’. As pointed out by Spiggle (1994:492), in contrast to analysis that breaks down or divides a complex whole into its constituent parts, one constructs in interpretation by asking what something means or grasping the sense of it.

Following Wolcott’s (1994) approach, in my study, I describe what each informant responded to the main themes and sub-topics by providing a condensed response in each part (in chapter 4) supported by relevant excerpts from the interviews when considered necessary or adding value. My goal is to provide compact information based on the original responses in a manageable format, without loosing the weight and importance of what was said (Gummesson 2005). The seamless transition from describing the responses with supportive excerpts, at the end of each section (especially in the ‘summary and analysis’ parts throughout chapter 4), analysis is visible when clustering the responses to form comparable units. The summary and analysis parts are a combination of multiple views and perspectives centrally related to the sales process at large. Additionally to forming a combination of multiple views and perspectives, interpretation includes my contribution as researcher as supported by my preunderstanding of the case. Interpretations of the case and data related to the sales
process at large are presented as separate parts in the end of each section in chapter 4, referring in turn to the three main research themes: understanding, adaptation, and combining. Furthermore, the outcome of the analysis and interpretation is presented in part 4.4.1.3 under section 4.4, resulting in a framework for the strategic adaptation of the sales process to the buyer’s buying process in a business-to-business context.

3.4.3. Alternative interpretations and contradictory data

In my analysis, I did not focus on voice or tone, but regarded the responses directly and literally. Only in the case of ‘conflicting’ data, some additional logic reasoning was applied. Analysis and interpretation of data that seemed contradictory at first was resolved by the means of analytical and logic reasoning. In other words, I analysed what the informant(s) had stated, focused on the context where this was stated, and due in part to my own preunderstanding, arrived at a conclusion concerning what had at first seemed to be conflicting data. This iterative process included detailed and thorough comparison of statements that the informants had provided at various stages during the in-depth interviews.

Preunderstanding forms an important part of my research (Gummesson 2000); without it, this research could not have been conducted, or might have resulted in something completely different. Without my preunderstanding and in-depth knowledge of the languages spoken and some industry-specific words that were used, some of the responses by the informants would not have made much sense and would have made the interview situation stilted and difficult to complete. I will elaborate on this in section 5.2.
4 DEVELOPING A FRAMEWORK FOR ADAPTATION OF THE SALES PROCESS THROUGH EMPIRICAL DATA

In this chapter, the case study analysis is presented. The aim of the empirical analysis is to respond to research themes regarding the seller and buyer’s understanding of the sales process, adaptation of the seller’s sales process to the buyer’s buying process, and combining of the sales and buying processes or converging them into an integrated process.

This chapter is divided into five main sections. The first three sections focus on the actual case analysis, and on responding to the research themes (presented in section 2.5) that previous research has not explored in detail but which needs to be studied in order to reach the aim of this research. The case analysis (sections 4.1 to 4.3) is divided into three sections, one section for each theme. Section 4.1 deals with how the sales process at large is understood and how it relates to the buying process. In this section the first research theme, understanding of sales process is analysed. This refers to how the sales process at large is understood - taking the buying process into consideration, not only by the seller but also by including the buyer’s view. In other words, the sales process is studied as if it constitutes a part of relationship initiation. Since the sales and buying processes form a ‘mirror-image’ of the same event (cf. Comer 1991), also the ‘mirror-image’ of the sales process - the buyer’s buying process - is studied. Both processes are studied in order to arrive at as holistic a view as possible of the sales process.

In section 4.2, I explore adaptation of the seller’s sales process to the buyer’s buying process. Here, the second research theme, adaptation of sales process, is studied. Following the previously presented logic, the sales process is not seen in isolation, but rather as central part of relationship initiation. Hence, in addition to the sales process, also the buyer’s buying process is studied. By studying both processes, a deeper understanding regarding how and why adaptation of the sales process could be conducted is explored.

Section 4.3 concentrates on the third research theme, combination of the sales and buying processes, combining the sales process with the buying process to form a convergent process during relationship initiation. Based on the analysis of both the seller and buyer’s views as related to the combination of the processes, the implications for developing a framework for strategic adaptation of the sales process are provided.

The last section 4.4 presents the proposed results and conclusion. In this section, a framework for strategic sales process adaptation is presented. Additionally, the concept and construction of a relationship-oriented sales process is discussed.

4.1 Understanding the sales and buying processes

Descriptions of the sales process generally adopt the seller’s perspective and the processes are regarded as consisting of a series of steps (Dubinsky 1980/81; Moncrif & Marshall 2005). Alternatively, instead of focusing on the sales process as such, the seller can adopt a value-based selling approach and follow its potential customer’s buying process (Rackham & DeVincentis 1998). Both views have their advantages and disadvantages when considering adaptation.
Traditional sales process models, which are divided into steps, are generally normative and rather inflexibly constructed. This makes them easy to apply in sales and easy for the salesperson to follow. This often works well when adopting a transactional approach to selling and when operating in mature markets. However, if a relationship-oriented approach to selling is adopted, the selling process should also reflect this. When the need arises to conduct sales in a way that is more purposeful for the situation and that better corresponds to the buyer’s purchasing, following a rigid sales process that is difficult to adapt quickly becomes a hindrance to progressing in relationship initiation. Alternatively, adopting a value-added approach and following the buyer’s buying process and discarding the sales process may prove to be an effective approach, especially when selling complex solutions or services that need to be adapted to accommodate the buyer’s needs and requirements. However, the lack of a formalised sales process simultaneously makes following and monitoring the progress of relationship initiation challenging. Simply following the buyer’s process can be easy for a salesperson, but this can prove difficult on a sales team and sales management level.

Similarly to the sales process, the buying process is traditionally viewed as consisting of a set of pre-defined and pre-arranged phases (Möller & Laaksonen 1984; Axelsson & Wynstra 2002; Edvardsson et al. 2008). Moreover, the perspective that is adopted is exclusively that of the buyer. In other words, both the sales and buying processes share these characteristics; both are constructed entirely from the perspective of one party, and thus do not reflect the concept of relationship or partnership (cf. Brennan et al. 2003). Although both processes contribute to relationship initiation and perhaps even form the relationship initiation process (cf. Edvardsson et al. 2008), this connection has not been thoroughly explicated in research. It seems logical that instead of following sales and buying processes that adopt a ‘one-sided’ view, relationship-oriented selling and buying could in fact benefit from adopting a modified approach. Such an approach could be the strategic adaptation of processes according to situation and context. Prior to exploring adaptation of the sales process however, it seems reasonable to study the sales process itself: how the sales process is viewed and understood; and if the seller deploys a sales process (if yes, what does it look like; and if not, what are the reasons for not using one).

In this section, the understanding of the sales process is analysed. ‘Understanding’ refers to “the ability to understand something; comprehension […] An individual’s perception or judgment of a situation” (Oxford English Dictionary 2008). In the context of this study, the understanding of the sales process refers to how the sales process at large is understood, i.e. not only by the seller but also by the buyer. The sales process is thus studied as an integral part of relationship initiation. Hence, the ‘mirror-image’ of the sales process, i.e. the buyer’s buying process, is also studied. The goal of studying both processes through both parties is to arrive at a holistic view of the sales process during relationship initiation.

In this section, in order to understand and gain a deeper understanding of the context of the sales process, I will show how the sales and the buying processes are understood. First, I explore if there were processes in place for how selling and buying were conducted according to the seller and buyer. Second, I ask the informants to describe their own process and their counterpart’s. Describing processes requires more knowledge about the sales and the buying processes than merely commenting on whether or not there were such processes in place does, and combining these viewpoints provides a clearer view of the sales process and relationship initiation between the seller and the buyer.
4.1.1. Applying a sales process

As a first step towards exploring the understanding of the sales process and in order to understand to what extent there is a shared view of the sales process, I have studied if there was a sales process in place according to the seller and buyer. Exploring the sales process from both the seller’s and the buyer’s perspective not only provides a more accurate view of the situation, but also enables a comparison of the views.

4.1.1.1. Seller’s view regarding the application of a sales process

With regards to the sales process, at first glance, the interviews with the colleagues working at the selling company provide a mixed view. According to some members, it was clear that no sales process was applied. Others stated that there was a partial process in place. The responses included reports that the company had followed a ‘process like’ approach, but that the approach had not been documented.

An explanation for the lack of a sales process was that the company was quite young. However, the interviewee who stated this laughed and was strongly of the opinion that during its existence the company should at least have managed to create a draft of a sales process. Another explanation for not having a formalised and documented sales process in place was that the company worked according to ‘process oriented’ methods, using templates and reusing (copying and pasting) previous offers, etc.

“There was no documented process. [...] Instead, we worked hard according to process-oriented methods [...] we had a lot of templates: ‘we had offer templates, we had pricing models, etc.’ [...] In effect, this became a process for how approximately an offer should look like”. (Seller, interview WS310025-27)

During the interviews I noticed that some informants had difficulties understanding what is meant by ‘sales process’. Contrary to what one might assume, the informants who had difficulties with this concept, belonged to the upper management of the company (VP of sales, Chairman and President).

“It depends on what is meant by ‘process’.” (Seller, interview WS310025-27)

“What do you mean by ‘sales process’? “Do you refer to a process for how the sales work in general was supposed to be conducted?” (Seller, interview WS310031-33)

Roughly, there was a process; we had some form of activities and we offered the customer to sign a test license agreement [...] and from there to commercial deployment there was no documented [process] in place.” (Seller, interview WS310038)

The informants for whom it was clear usually belonged to the operational level of the company (for example Sales engineer and Product manager).

“No, I don’t” [regard that there was a sales process in place].” (Seller, interview WS310035-36)

“No, there definitively was not [a sales process in place].” (Seller, interview WS310041-42)

Upper management seemed to accept the concept of working according to process-oriented methods, i.e. non-documented processes or partially defined processes, whereas persons from the operational level were more precise with regards to what a process actually is. However, what both upper management and operational level stated and agreed on was that no formal sales process was being applied in the company.
4.1.1.2. Buyer's view regarding the seller’s application of a sales process

The members of the buying team that I interviewed doubted that the seller applied a sales process, at least in a formalised sense. One person stated that there was probably a partially defined sales process in place, whereas two stated that there was no known formalised sales process.

"Partially. [...] a standardised sales process existed for the standard product, but not for the project in this actual case. I think that the process [for the standard product] was used when applicable." (Buyer, interview WS310047-49)

"[...] a formalised [sales] process, to be honest, I don’t think [so]." (Buyer, interview WS310058-59)

"I don’t know if it was formalised. [...] I don’t know if there was anything formalised." (Buyer, interview WS310062-63)

It seems that the buyer considered the sales work to have been somewhat ad hoc and done in response to the situation. Astonishingly, no one seemed to be surprised about the lack of a formalised sales process, quite the contrary. Some seemed to be of the opinion that the lack of a formalised process was at least partly caused by the newness of the market or the size of the selling company.

"[Small companies like the seller and] their organisations are usually not so organised that they would have all the processes, definitions, etc." (Buyer, interview WS310058-59)

The responses show that the buyer considered the seller to be without a formalised sales process, or at least considered the seller not to be applying a formalised process.

4.1.1.3. Summary and analysis regarding the application of a sales process

For some members of the sales team, it was not clear what the term ‘sales process’ refers to. Interestingly, one of these persons was the VP of sales. Upper management seemed to accept working according to ‘process-oriented’ methods, i.e. a non-documented process or a partially defined process, whereas persons from the operational level of the company were more precise with regards to the definition of a process. When it was clarified what is referred to by sales process, both upper management and operational level agreed on that no formalised sales process currently being applied.

Members of the sales team used document templates when conducting sales work. Such templates included test license agreements, standard offers, license agreements, distribution agreements, service level agreements, and sales reporting, which the salesperson or member of the sales team could modify according to their needs. I regard document templates as useful and valuable as sales support materials that can be used during the sales process, but sales support material as such does not form a sales process.

The reasons given for not having a formal sales process included the company being quite young and being a start-up. Additionally, it was mentioned that the company and sales management’s working style inhibited the development of a formalised sales process.
Although the buyer had showed little interest in the seller’s processes, it was clear for them that the seller did not apply a formalised sales process. According to the buyer, it is often the case that small companies do not have or work according to formal processes. Due to their organisation’s size, large companies are much more likely to develop and apply processes for how they work (cf. Buyer, interview WS310058-59).

The data collected clearly shows that the seller did not apply or work according to a formalised sales process. Furthermore, how sales work was to be conducted, was not documented by the seller. The use of processes makes managing and allocating resources easier and thus improves the efficiency of the organisation. However, for a small company, traditional and formalised sales processes can be regarded as too static and even as a constraint.

4.1.2. Applying a buying process

In this section the application of a buying process is explored.

First, the members of the selling company provide their response with regards to how they viewed the buying process of the buyer. Second, the members of the buying company that were interviewed provided their response as to whether or not they applied a buying process.

4.1.2.1. Seller’s view regarding the buyer applying a buying process

With regards to the buyer’s buying process, the responses by the seller show that the seller regards the buyer as having applied a general buying process.

According to the seller interviewed, the buyer did apply their general buying process. Additionally, according to the seller, the general buying process was not fully applicable for this type of purchasing, and thus the buyer did not always follow the process.

“I am certain of that the buyer had a buying process in place. However, I doubt that the process was fully applicable to this type of new products […]” (Seller, interview WS310025-27)

“I believe that they had processes in some way, but I am not sure if they always followed them […]” (Seller, interview WS310031-33)

The general buying process was regarded as being well suited for purchasing standard products and services, but it was not considered fully applicable in this case. According to the seller, in this case the buyer had to deviate from their general buying process. Both when applying the process to new product areas and when deviating from it, the standard buying process was considered to be inflexible. Although the process was not designed for this type of purchasing, the buyer was still trying to follow their general buying process. As a result, instead of supporting purchasing, the process became an obstacle.

The seller openly states that they were not adequately informed or educated about the buying process.

“When it comes to the buying process, I honestly have to say that I had very little insight in that.”
(Seller, interview WS310055-36)
The seller lacked insight into buying processes in general, including how they are formed and what has to be taken into consideration when developing them. (This will be explained more in detail in 4.1.4.1 and 4.1.5.)

4.1.2.2. **Buyer’s view regarding the application of a buying process**

According to all of the members of the buying team that were interviewed, a formalised and documented buying process was applied.

“*A dedicated and detailed buying process did exist and still exists.*” (Buyer, interview WS310047-49)

“*In general buying processes of course existed.*” (Buyer, interview WS310053-54)

“*Yes [, a buying process existed].*” (Buyer, interview WS310058-59)

“*Yes, it [the buying process] existed.*” (Buyer, interview WS310058-59)

However, although all the members agreed that a buying process was applied, not everyone seemed to understand the meaning of the ‘buying process’ in the same way. One of the informants (the Product and proposition manager) seemed to understand the buying process more widely than the others did. Whereas other informants seemed to narrow the definition of the ‘buying process’ to a process that the buying team as a group followed, the Product and proposition manager included product specific knowledge (by the person responsible for procurement) as a part of the buying process. Hence, his response seems to deviate somewhat from the general understanding. The Product and proposition manager stated that:

“ [...] There was nothing” (Buyer, interview WS310053-54)

With this statement the person inferred that there was not a buying process that was fully applicable for this specific case. However, another statement by the same person

“[...] the buying process was only reduced to the pure and factual procurement” (Buyer, interview WS310053-54)

shows that a buying process was indeed applied, but that product specific knowledge was not taken into account. Product specific knowledge however, is not part of the process itself, but is still required for evaluation and decision making during the process. In conclusion, according to the buyer, a buying process was applied.

4.1.2.3. **Summary and analysis regarding the application of a buying process**

The seller regarded that a general purpose buying process was applied. Additionally, it was clear that the seller was not adequately informed with regards to the content of the buyer’s buying process.

The buyer stated that a formalised standard buying process had been (or was being) applied. However, they stated that the buying process was not really suitable for this type of purchase. Instead, the buying process was designed for buying commodities and tangible products as a rule. In large enterprises that have a purchasing department, it seems typical that the purchasing department’s focus is on the buying process and on optimising terms and conditions, but the department has little knowledge of what is
actually being purchased, which again is the focus area for the solution specialist(s) of
the product management department. Hence, the purchasing department is not usually
prepared to deviate from the buying process.

A clear finding is that the buyer applied a general formalised buying process. It is
common that a large company (especially one that has a dedicated purchasing
department) applies a formalised buying process. The buying process forms the main
process to which other sub-processes related to purchasing are attached. Additionally,
it became clear that a general purchasing process might not be suitable for all types of
purchases.

4.1.3. Describing the sales process

The sales process was explored in more detail. First, the seller was asked to describe the
sales process. Second, the buyer’s description of the sales process is studied. Compared
to previous statements by the informants regarding the application of sales and buying
processes, describing a process requires more knowledge and consideration. Hence,
studying how the seller and the buyer describe the sales process provides more
information regarding their understanding of the sales process.

4.1.3.1. Seller’s description of the sales process

When the members of the sales team were asked to describe the sales process, only one
of the informants, the VP of sales was able (after having had great difficulties in
formulating his thoughts) to describe what a sales process within this industry looks
like in general. He revealed that the sales process had never been formalised within the
company, neither was it documented. Furthermore, he stated that in this specific case,
the sales process was different. In fact, none of the informants at the selling company
were able to clearly describe the sales process.

The seller’s inability to describe the sales process reveals that their previous statements
regarding their application of a sales process were exaggerated. When being asked if
they applied a sales process, the seller informants stated that the sales process had not
been formalised. The lack of an ability to describe the sales process (or even a non-
formalised sales process) reveals that the seller had not even considered the sales
process. This appears to suggest that the seller did not even have a non-formalised sales
process. The following statements that were provided by the Chairman, the Sales
engineer and the Product manager strengthen this interpretation:

“[Sales was conducted] Ad hoc” (Seller, interview WS310031-33; Seller, interview WS310035-36)

“The sales process was created as it progressed.” (Seller, interview WS310041-42).

The justifications given for not having had a sales process were several. One reason
given was the small size of the company in which everyone was aware of how sales work
was to be conducted and which made it redundant to set up a sales process:

“Everyone knew approximately how we were supposed to respond to an RFQ, how an offer
should look like” (Seller, interview WS310025-27).

Other reasons given included the company being still quite young a start-up, which
implies organisational and managerial immaturity, lack of knowledge, or perhaps lack
of time or prioritisation.
“We had no formalised [process], because we were a small company [...].” (Seller, interview WS310025-27)

“The company was quite young, it was a start-up.” (Seller, interview WS310031-33)

Another reason given by the Chairman was the small customer base, which would not justify the resources that the creation of processes would have required. According to this person, the setting up of processes was regarded as helpful only when describing an action that is carried out repeatedly.

“I think that there were too few [customers], a formal process only makes sense if you are going to repeat a task over and over again. [...] If you are going to do something only once or twice or if it is done ad hoc, it may feel more cumbersome to make a formal process and document it, rather than working ad hoc.” (Seller, interview WS310031-33)

Furthermore, it was believed that the creation of a formalised sales process was first and foremost the VP of sales’ responsibility.

“I think that it [developing a sales process] should have been the responsibility of the VP of sales [...]” (Seller, interview WS310035-36)

“I think several persons are involved, but foremost the account manager [salesperson], with the help of the sales management [VP of sales]. [...] Several persons are involved in the creation of such a process: development, testing, and support, etc., but it is of course the sales management and the salespersons that are responsible for the deployment of it.” (Seller, interview WS310041-42)

By definition, the VP of sales is responsible in general for sales and how it is conducted. Logically, this responsibility also includes the formalisation of a sales process. The sales process should on one hand describe how sales on a process level is carried out, and on the other hand be connected to other processes during the relationship initiation phase.

The VP of sales did not consider it important to formalise their sales process, and based on previous experiences (from a previous company where he was working) he was sceptical that developing a sales process might be helpful.

“The sales process during the 1990’s; ISO 9000 was very popular [...] I remember when some theoretician were supposed to set up their processes for sales, it became quite good from the offer and forward because there are certain steps, document types, and input-output discussions that fairly well represent reality. If the company [buyer] has an RFQ, then it works well. [...] If they [the customer] make a purchase without an RFQ, it became just... they [theoretician] tried to process that too in a way [...] The person [theoretic] had no idea how sales really functions. It was like a black cloud for these rather theoretic persons. It was almost ridiculous with that process [description]. But such process descriptions were made seriously. [...] The extreme flexibility that one as a salesperson must have, i.e. one adapts to person and situation and everything, it is very difficult to develop a clear process for that. Sales force [a highly popular software based solution for Sales Force Automation] maybe has definitions for leads, opportunities, etc, but they still don’t say how you should advance in order to close a deal. It is not possible, because it [sales] is so flexible.” (Seller, interview WS310025-27)

According to the VP of sales, the main problem (in this scenario) is to develop a process that accurately describes sales, while still maintaining the level of flexibility that is needed in various situations and towards different customers.

The conclusion that can be drawn once again is that the seller did not have or follow a formalised sales process. Rather than being well planned, the sales work was mostly regarded as being unplanned and ad hoc in nature. Additionally, the formalisation of a sales process would have normally been the responsibility of the VP of sales, who did not consider it to be important or even possible. My interpretation is that instead of adopting a managerial view, the VP of sales had adopted a salesperson’s view of sales.
Instead of referring to the sales team as a whole, the extreme flexibility in sales that the VP of sales considered to be crucial refers more to the decision-making and adaptation that salespersons have to make while interacting with the customer. Optimally, a sales process would not constrain the flexibility in sales work, but rather guide and support sales work on both a team and personal level. In other words, a sales process would not restrict, but rather enable and facilitate the adaptation of sales on various levels, simultaneously helping salespersons, the team and management to maintain focus and overview. Additionally, in order to provide decision-making support for resource allocation, the sales process could enable the sales management to compare and evaluate the progress made between various sales opportunities.

4.1.3.2. Buyer’s description of the sales process

In the previous section, the buying company responded that in their view the seller did not have a formalised or standardised sales process that it could have worked with. The buying company’s view of the lack of a formalised sales process was strengthened when the buying company was asked to describe the selling company’s sales process; the informants of the buying company were not being able to describe the sales process. In fact, it seems that the buyer was not interested in the seller’s sales process.

“To be honest, I have never really thought about how the sales process progresses, what happens next at the seller.” (Buyer, interview WS310062-63)

Instead of focusing on the sales process, the buyer was more interested in the end result: i.e. that they receive what they have requested from the seller.

Based on the Purchasing manager’s view according to which:

“...it seems that in small companies like α, their organisations are usually not so organised that they would have all the processes, definitions, etc.”, (Buyer, interview WS310058-59)

it can be regarded as normal that a small company does not have all of its processes defined. With regards to the sales process, this did not seem to bother the buyer. However, the buyer was very interested in the seller’s development, testing and delivery processes, which of all affect the buyer’s resource planning and service launch schedules.

A reason discerned for not focusing on the seller’s processes was that, at that point in time the buyer was not certain if the partnership would become long-term and of strategic importance. Should the buyer have expected the partnership to become long-term and of strategic importance, they would have conducted a closer audit of the seller in order to ensure that all relevant and important processes (that affect the buyer) were in place.

“I did not ask to be shown the sales manual or so. [...] When you think of that it will perhaps be only one [mutual] project and which will perhaps never be repeated, you will not screen the vendor as much in detail as you will [if you assume that it will become a long-term relationship].” (Buyer, interview WS310058-59)

However, even in such a case, the buyer’s primary focus would most likely have been on processes such as the R&D, testing, delivery and support processes, but probably not on the sales process. A reason for this is that the seller’s sales process is not of immediate importance to the buyer’s revenue-generating processes.
“In principle, the thinking went as follows - we have our buying process, and I will use the other side [the seller] to get through our own process.” (Buyer, interview WS30062-63)

For the buyer, the seller’s sales process and their own buying process are processes that are considered to be ‘upstream’ of where investments are made and costs are incurred. In contrast, the buyer’s own sales process is considered as being ‘downstream’, i.e. closer to the customer and revenues. When considering this, the buyer’s scant comments and lack of insight into the seller’s sales process (at least in this specific case) is both understandable and justified. As long as the seller can meet the needs and requirements of the buyer, the buyer is satisfied. This seems to be one reason why the buyer did not see the immediate need for, and importance of informing the seller about the buying process.

4.1.3.3. Summary and analysis of the sales process description

Regarding the seller’s and the buyer’s descriptions of the sales process, it seems that the ability to describe the process was poor on both sides.

Although the sales management at the selling company earlier stated that they were working according to ‘process-oriented’ methods, when asked to describe the process, the seller was not able to do this. In fact, the head of sales considered the formalisation of the sales process as being difficult and even in appropriate (or laughable).

Instead of the seller having a (formalised) sales process that would guide the sales team in conducting sales work, sales was conducted in an ad-hoc manner. In fact, instead of having a co-ordinated approach for conducting sales work, it was left largely up to each salesperson to find out about and decide how to conduct sales work. Furthermore, instead of conducting sales in a proactive manner, it was often conducted in a reactive manner, in response to the buyer’s requirements and demands.

The fact that the buyer showed little interest in the sales process is somewhat understandable. As the service for which they needed the solution was only just emerging they could not predict the outcome of the relationship initiation with the seller. Should they have known that the monetary value attached to the outcome would become high, they would have assumed that the relationship had the potential to become long-term, and in that case they would have made more thorough due diligence work of the seller and their processes. A fact that supports this is that the buyer is an ISO9000 certified company, and they are required to audit their suppliers’ main processes. In this case however, the buyer stated that they had not really thought about what happens at the selling company, nor were they really interested in knowing more about the seller’s selling processes. They considered the seller-buyer situation as being a ‘buyer’s market’ where they make the demands and the seller must comply with these demands. As long as the supplier delivers what the buyer requests, the buyer is satisfied. This suggests that even if the buyer had audited the seller, they would not have focused on the sales process, but rather on processes that are related to the seller’s supply chain management. Such processes would be related to buying, development, quality assurance, delivery, and support services at the selling company. In other words, unless actually being in a ‘seller’s market’ where the buyer must comply with the seller’s sales process, the buyer is by definition not interested in the seller’s sales process.

In conclusion, by not being able to describe their own sales process, the selling company was clearly not focusing on working in a structured and co-ordinated manner,
but was rather adopting an ad-hoc and reactive approach. However, as stated by the buyer, it is uncommon that small companies do not have their processes defined. The fact that the buyer was not interested in the seller’s sales process shows that, at least in a buyer’s market, the sales process is not discussed between the parties, but rather it is assumed that the seller complies with the buyer’s demands. In other words, it is assumed that the seller implicitly follows the buyer’s buying process. As far as the sales process is concerned, the responses by both the seller and buyer show that the process is understood as a step-by-step model (cf. Dubinsky 1980/81). According to the seller, the traditional sales process model is regarded as inflexible and somewhat restrictive, even static and possibly inhibiting the flexibility that is required in sales situations.

4.1.4. Describing the buying process

The buying process will now be explored more in detail.

4.1.4.1. Seller’s description of buying process

The responses below show that the seller had little knowledge of the buyer’s buying process. The members of the selling team openly stated that they were not familiar with the buying process, and that they did not believe that the other members of the sales team had knowledge of it either. Some stated that they did not have knowledge of it, but that they assume or think that someone else in the organisation was familiar with it. The informants (especially the VP of sales) seemed surprised that they themselves were not able to describe the buying process.

"I didn’t know how their process looked like." (Seller, interview WS310031-33)

"At first in this case it was quite transparent how it would go. [...] It was RFP, evaluation of it [...] and then we went there to present it [to the buyer]. [...] Then came the formal contract negotiations. [...]" And "In all honesty, I had very little knowledge of the buying process." (Seller, interview WS310035-36)

"No [we did not know how the buying process looked like]." (Seller, interview WS310038)

"In my opinion we did not know [how the buyers buying process looked like]. I think that we adapted [to the situation] as it progressed, like I responded that we did regarding the sales process, which did not exist when we started." (Seller, interview WS310041-42)
Although some members of the selling team were able to describe a buying process in general, nobody could describe the buying process in this particular case. The Sales engineer interviewed stated that:

"[...] I think that it was a problem that from our side we did not have a detailed process with a check list that would instruct the salespersons to check the buying process, set up a plan that corresponds to the process, etc. so it was up to each salesperson [...]." (Seller, interview WS310035-36)

This shows that the seller had not even planned to discover what the buying process involved. According to the selling company’s President:

"This was a situation when the market was still very new and our focus was to find someone at the customer who would become interested in it and through this person acquire a friend who can guide us and explain how we should proceed in order to arrive at where we should." (Seller, interview WS310038)

In other words, their plan was limited to simply finding an ‘opening’ via which the seller could enter the buying organisation and create awareness and interest for their solution.

The explanations as to why they did not know how to describe the buying process were several, which would all appear to be ‘unprofessional’ in nature. It was stated:

"We were a bit like cowboys out there [...]" (Seller, interview WS310025-27)

"Contracts and SLAs [Service Level Agreements] and so forth did not exist in my worldview at the time." (Seller, interview WS310035-36)

"[The reason for not finding this out was that] we were not professional in that respect." (Seller, interview WS310038)

"I think that we were just running after contracts and did not take the time do that [to find out how the buyers processes looked]." (Seller, interview WS310041-42)

According to the selling company’s Chairman, with respect to the buying process there is a difference between established and new markets:

"[In general: In the case of an established market] if you participate in a large tender [it is made clear for all parties] how the [buying] process looks like. “ [In the case of a new market,] when you enter the market a bit like we did [...] it is different. Then I am not even sure if the buyer has a clear buying processes." (Seller, interview WS310031-33)

These statements show that the seller neither knew, nor paid much attention to finding out what the buyer’s buying process involved. This was simply not part of how the seller operated, and the finding out what the buyer’s buying process involved was not a recognised strategy by the seller.

4.1.4.2. Buyer’s description of buying process

All members of the buying team provided very a similar and detailed description of the buying process. Although they did not have a purchasing manual, they clearly had a general buying process in place.

"There was not necessarily a kind of purchasing manual [...] but it was specified how a buying process functions" (Buyer, interview WS310058-59)
Judging from their very similar responses and the level of detailed knowledge demonstrated, it is likely that they had all received some level of training with regards to the buying process. The process that they followed seemed very detailed. It was divided into clear steps with a formal handover between each step. Their buying process seemed to closely follow the ‘five-step buying process’ (Webster & Wind 1972).

According to Product manager 1, the buying process was as follows:

“It always begins with the market side, i.e. product management […] a complete (1) market screening by product management […] (2) specification of solution […] (3) RFI (Request for Interest) is sent by the purchasing department [to potential vendors] […] response within 4 to 6 weeks, first indications of interest, estimations, problems and other topics […] (4) RFQ (Request for Quotation) is sent out to interested potential vendors) usually there are 2 to 3 of companies [in a heterogenic market they can even be as many as 10 or 15, depending on the market]. They are requested to provide a formal proposal. […] Proposals usually have to be negotiated, e.g. for comparability of the offers or to clear some points. […] (5) [Selection of vendor] agreement negotiations […] in most cases the views of both [product management and purchasing] go well together, as they work very closely. […] (6) Signing of agreement. […] (7) [To make it all official] in large companies these have to go through a committee [consisting of the heads of the involved departments has to approve the purchase. Among other things,] they look at whether the purchase is within the budget. […] Product board [is also responsible for approving] diversions [from the process].” (Buyer, interview WS310047-49)

The Purchasing manager described the standard buying process as follows:

“Buying process in general: (1) Requirements, provided to the purchasing department, who makes the (2) market analysis. […] (3) RFI is sent out to potential vendors [long list]. […] Basic interest, background of the company, commercial aspects, etc. is asked. […] An evaluation [short listing] is made, and an (4) RFQ is sent out to the short listed companies. […] (5) Evaluation of responses and […] (6) selection of vendor.” (Buyer, interview WS310058-59)

Product manager 2 described the typical buying process and stated that the steps were relatively standard, but that variations may occur from case to case:

“Normally it begins at β in the way that it is considered (1) what kind of a product is needed, then a (2) feasibility study is made. A first screening is made, if something is going to be produced externally, are there any vendors in this area. Then the next step starts, in which a detailed (3) specification is made - what is needed, a sort of requirements document. This is responded to with an (4) RFQ process. […] Prototypes are displayed. […] (5) Commercial negotiations. […] (6) Commercial agreement. […] (7) Deployment. […] In the projects that I am aware of, it is mostly like that. […] These buying steps are relatively standard, but they can vary a bit in details.” (Buyer, interview WS310062-63)

In general, the buying process is divided into two tracks: product management and procurement, which run in parallel. The Product manager and Purchasing manager were seen to work closely in most of the phases in the buying process. Together, these two persons form the core of the buying team in this company; the Product manager is responsible for matters that are related to the product, and the Purchasing manager for procurement and commercial matters. They are the main external contact persons for the seller and also internally for other departments (such as the marketing, testing, financial controlling and legal departments, which are usually involved in certain stages of the buying process). Members of the buying team not only described the normal buying process, but were also able to explain where they deviated from it in this specific case. Additionally, they also revealed reasons for the deviation.

“The standard process was not applied in this case. We did not conduct a real bid process. […] The budget was smaller, and we were not sure how the market would develop, it was to a large extent personal conviction. […] The other vendors’ representatives were perhaps ‘not persuasive
enough’. Perhaps you were simply the most sympathetic salesperson or perhaps you had the most convincing arguments at the time.” (Buyer, interview WS310053-54)

“A standard buying process [with RFI/RFQ] was not possible in this case, since the colleagues from product management had pretty much already [and quite early on] decided for α. However, in principle the market is always screened completely.” (Buyer, interview WS310058-59)

The Purchasing manager pointed out that ISO certified companies are required to have documented all business processes within the company, including the buying process, and that the process has to be available internally for all who are involved in it.

“Today when companies are ISO certified they have to show their buying process. It has to be transparent, not only to purchasing, but also to all the other departments who are involved, i.e. product management quality department, and to the one who shall use it has to know how it works.” (Buyer, interview WS310058-59)

The seller pointed out that not all buyers are willing to provide information regarding the buying process. In this context it should be noted that the requirements for the transparency of the buying process that the Purchasing manager referred to does not extend to the seller, i.e. the buyer is not required to inform the seller about the buying process.

The Product and proposition manager described the process that was applied in this case as follows:

“Standard buying process: (1) Pre-study, or a rough study, although this is not really a study but rather a phase where you collect ideas, make brainstorming, scout what is offered on the market. This need requirement can be triggered by a department that sees a need/opportunity on the market. Back then different departments contacted us and said: ‘we have customers [who have a need] but we do not have any solution and we do not know how we can help our customers.’ That was the basic requirement.” and

“We made a (2) feasibility study, […] sent out this [reduced] RFI, went with the feedback to procurement (this is part of the standard process). […] (3) Purchasing looked at the commercial aspects and we [at product management] looked at product related issues, in order to find a solution.” (Buyer, interview WS310053-54)

According to the Product and proposition manager, they did not conduct a pre-study, but rather started with the next step, the feasibility study. The reason for this is that the product department had received requests for such a solution from other departments within the company – there was a need on the market. Hence, the buyer made a quick market screening and quickly pre-selected the vendor. In order to expedite the launch process, they decided to skip conducting a pre-study, which is often time consuming and requires additional resources.

As a conclusion, it is clear that the buyer had a rather detailed view of the buying process and how it progresses. Furthermore, it was stated that the buyer did not consider the process to be fully applicable for this case (i.e. for this type of a purchase), which is the reason for why they decided to partially divert from the process.

4.1.4.3. Summary and analysis regarding the description of the buying process

There are considerable differences with regards to the seller’s and the buyer’s descriptions of the buying process. Simply stated, the seller was not able to describe the buying process. In contrast, the buyer provided a very detailed and clear description of their buying process.
The seller stated that they did not consider themselves as sufficiently professional to conducting sales in a structured and co-ordinated manner. Instead, they conducted sales in an ad-hoc manner. The seller never considered that they could or should seek out information related to the buyer’s buying process. On the other hand, the seller criticised the buyer for not having informed them about the buying process. The seller also stated that it is unfortunately often the case that buyers do not appreciate the benefits for both parties in the case that the buyer would inform the seller about their buying process.

Nevertheless, although the seller was not able to describe the buyer’s buying process, they knew that the buyer adopted a process for buying. Additionally, the seller was aware that the buying process was a general buying process, not specifically developed for conducting purchases of this kind. Furthermore, the seller noticed that the buyer sometimes had difficulties applying their process. The lack of awareness concerning the buying process (as well as it partly being unsuitable for this purchase) resulted in the seller considering it to be unclear sometimes how the parties should proceed in initiating the relationship.

In contrast to the seller, the buyer provided a very detailed and clear picture of their buying process, which seems to be rather closely based on the traditional five steps of buying model (Webster & Wind, 1972). It is clear that each member of the buying team was aware of the steps of the buying process and how the process is to be applied. They knew the steps, the required input and output in each step, and all of them were able to explain these steps in great detail.

According to the seller, the buying process was not optimal for this purchase, but in spite of this, the buyer still applied the process. In other words, instead of taking the risks included in the modification of deviation from their standard buying process, the buyer chose to adopt it as such. Deviating from the process would have been more complicated than simply adopting it ‘as is’. This is why the seller considered the buying process to be ‘inflexible’. Indeed, the buyer confirmed that deviating from the buying process was cumbersome, since this also requires that all deviations be approved.

In conclusion, the buyer not only applied a buying process but also was additionally able to describe it in great detail. In contrast, the seller had little knowledge of the buying process. Furthermore, the buying process was considered to be ‘inflexible’. The main reason for the seller not being familiar with the process was that they were ‘unprofessional’; they never made a serious attempt to acquire this knowledge. On the other hand, the buyer did not make the seller aware of their buying process, not even when it became evident for the seller that the buyer had difficulties applying their standard buying process. This not only shows how poorly prepared the seller was for conducting sales in a professional manner, but more importantly, it shows how conservative the buyer is with regard to communicating their way of working to potential suppliers, which could in turn slow down if not inhibit relationship initiation between the parties. To conclude, relationship initiation could benefit from more openness and closer co-operation between the parties, regardless of their being in a buyer’s or seller’s market.
4.1.5. Factors contributing to the seller’s knowledge of the buying process

Since one could assume that the seller would be interested in a buying process, contributing factors to, or reasons for the seller’s poor knowledge of the buying process will now be explored.

Some members of the buying team provide important information that partly explains the seller’s lack of knowledge of the buying process. Additionally, this also confirms some of the statements made by the seller regarding the possible benefits for the buyer if they were to explain the buying process to potential new vendors.

Naturally, the main responsibility for acquiring knowledge about the buying process lies with the seller. In this case, the seller had not actively presented the buyer with this topic and pursued knowledge regarding the buying process. As stated by the seller, they themselves were not professional in this respect. Furthermore, guidelines that would have inspired or directed the salesperson to find out about the buying process did not exist in the sales organisation. How sales work was conducted, was up to each salesperson.

Product manager 1 and the Purchasing manager stated that the seller never explicitly asked what the buying process looked like.

"Not in those words…” (Buyer, interview W8310047-49)

“That someone would have asked [how the buying process looks like], I cannot remember.” (Buyer, interview W8310058-59)

On the other hand, if the seller did not make an effort to gain knowledge of the buying process, neither did the buyer make the seller aware of their buying process according to Product manager 1. Even if the buyer occasionally discussed the next step or two of the process with the seller, they did not consider it worth the effort to go through the whole buying process with the seller.

"[…] We [at some occasions] discussed the steps of the buying process, but it was mostly only the next step or perhaps even the step after that [i.e. not the whole process]. We could have done that [discussed the whole process], but it would only have cost more time than any of the parties would have gained from it.” (Buyer, interview W8310047-49)

The Proposition and product manager states that:

“I believe that successively we discussed the process, but not in the beginning.” (Buyer, interview W8310053-54)

According to the Purchasing manager, the steps in the process could be considered to be common knowledge; hence this person felt it was not worth even discussing.

“I assume that reason for it [that the process is not communicated], is simply because this customer-supplier relationship is expected. Hence, people know which the steps all are. It is nothing new anymore.” (Buyer, interview W8310058-59)

Based on the seller’s responses however, the above was not common knowledge to the seller.
Product manager 2 revealed that the seller is deliberately being presented a ‘black box’ (i.e. how the buying process looks is not explained to the seller), and that this is a strategy that the buyer uses.

“I don’t believe that it [how the buying process looks like] was actively communicated. [...] If it is communicated at all, I don’t know, but this is not a part of the process, that the vendor would know exactly what we think and in which phase of the process they are at the moment. Actually the vendor is fronted by a black box.” (Buyer, interview WS310062-63)

This means that even if the seller would have asked the buyer what the buying process looked like, about the duration of the phases, or how many potential vendors they included in their ‘long list’ (i.e. list of un- or pre-qualified potential suppliers) and ‘short list’ (i.e. list of qualified potential suppliers), it is unlikely that the buyer would have revealed this kind of information. Product manager 2 also explained the buyer’s reluctance to discuss the buying process with the seller.

“It can all run smoothly as described, but there can also arise a need to agree within various departments within the company, and that is something that is something that we do not want to communicate externally to manufacturers, in a way that we have not yet internally clarified this, if we really want it. [...] One always has to consider the consequences of communicating the current status or the problems that one possibly is facing to external parties.” (Buyer, interview WS310062-63)

The buyer regards it risky to communicate the buying process and the steps it consists of to the seller, since there may be changes that need to be conducted in the process and instead of having to explain reasons for such changes (which can result from company-internal problems for example) and the effects of these changes (for example with regard to the planned project schedule and launch date) to the seller, the buyer prefers not to communicate the process in the first place.

The responses by members of the buying team confirm the VP of sales’ belief and statement according to which

“They [the buyer] have perhaps not understood that it may be good to tell the other party how it [the buying process] goes.” (Seller, interview WS310025-27)

Contrary to what the buyer believes and assumes, the seller would prefer to be aware of what the buying process looks like and how it progresses. This would help the seller act in a way that better fits the buyer’s buying process, which would beneficial for both parties.

Although the buyer stated that they did not discuss the buying process with potential vendors, the Proposition and product manager revealed that more recently they have begun to describe it on a general level to potential vendors.

“However, today we describe our process when we are buying something. [...] Back then I believe that we were still learning.” (Buyer, interview WS310053-54)

As shown by this statement, there has been some development in this area recently, at least within the domain of that specific member of the buying team. However, judging from the responses of the other members of the buying company, this development has not (yet) become part of how the buyer usually operates.
4.1.6. Conclusions regarding the understanding of the sales and buying processes

The findings show that how the sales process is understood as such, and its function as a process that contributes to relationship initiation between the parties, it is clear that the sales process could significantly be improved. Both the seller and the buyer seem to have a quite limited and even unclear view regarding the role of the sales process. To the extent that they are able to describe the process, the outcome is quite similar to the traditional sales process model as presented in literature. Being entirely constructed from the viewpoint of the seller, and consisting of steps that are pre-arranged in a certain order, the traditional sales process is regarded as being cumbersome, static, and restrictive with regards to situational flexibility. In modern sales, especially when selling complex solutions, the salesperson becomes more of a consultant (cf. Rackham & DeVincentis 1998; Moncrief & Marshall 2005) and sales situations often require a high amount of flexibility. This is especially the case when selling solutions in a newly emerging market; the seller and the salespersons need to be able to act and react quickly in order to meet the buyer’s requirements and expectations. Hence, due to the lack of a suitable sales process, instead of adopting a sales process model that could restrict flexibility, no sales process was adopted, with the salespersons instead conducting sales work in whichever way they choose.

The buyer’s buying process is regarded as rigid and inflexible, additionally so in this case as the buyer is often unkeen to communicate their buying process to the seller during relationship initiation. Reasons for the seller not being aware of the buying process include on the one hand the seller not actively pursuing this information, and on the other hand the buyer preferring to keep the seller at arm’s length. Fortunately, the latter reason is undergoing a change, and the buyer has become more open to communicating their process to sellers even in the early stages of relationship initiation.

Instead of adopting a sales process, the buying process became the basic guiding principle, not only for the buyer but also for the seller. Without the seller or the buyer even realising it, the buying process had implicitly become the sales process. Should this have been a planned approach by the seller, this would have been justified, but this clearly not being the case, it creates a problem for the seller instead. As the buyer does not communicate the buying process, this translates into the seller not being familiar with the process that they are implicitly forced to follow and which guides relationship initiation. The seller is not able to plan their resource allocation in advance, which increases costs and possibly prevents them from pursuing as many opportunities as they otherwise might. Additionally, the seller’s lack of a sales process causes a management issue; they are not able to provide their sales force a model for how sales work is conducted, which again causes difficulties related to following how sales work is progressing in various cases and between sales teams.

A conclusion that can be drawn from the responses by the seller and the buyer regarding the application, use, and description of the sales and buying processes is that there is a considerable difference in how sales and buying processes are understood by the two parties. In fact, compared to the buyer, the seller seems to have a much poorer understanding of these processes. Hence, in order to arrive at more profound understanding of the sales processes ‘at large’ (i.e. in a way that takes the buying process into consideration), there is considerable room for improvement both within both the seller’s and the buyer’s organisations, as well as between the two organisations.
In the case that was studied, the seller did not apply a formalised sales process, but sales was instead conducted in an ad-hoc and unplanned fashion, which required additional resources as compared to conducting sales in a planned and controlled manner. It seems that the function and potential of the sales process were not fully realised. Instead of the sales and the buying processes being regarded as ‘mirror-images’ of each other (cf. Comer 1991), they are regarded as being detached from each other.

The sales management at the selling company left the operationalisation of sales to the salespersons (who chose to adapt their selling to the buyer in order to progress in relationship initiation with them). Instead of leaving adaptation to be conducted by the salespersons alone, the selling company could adopt another approach. Through an adaptable sales process (one that guides the whole sales team) as an organisation they could actively focus on contributing to the enhancement of relationship initiation. A sales process that would provide more structure for the sales work, and that can be adapted to the buyer’s buying process could achieve this. Furthermore, for the seller to be able to adapt their sales process, this work practices would require that the buyer provide information to the seller regarding their buying process. As a consequence, this could enhance relationship initiation. In brief, making the sales process more relationship-oriented could enhance relationship initiation. This will be explored further in the following section.

4.2. Adaptation of sales process to the buying process

In the previous section, the understanding of the sales process was explored through the seller and buyer’s views and descriptions of the sales and buying processes. The conclusion drawn from the analysis was that instead of having to rely on the salespersons understanding and ability to adapt to the buyer, the seller as an organisation could adopt a more co-ordinated approach and actively enhance relationship initiation by the means of an adaptable sales process that guides the entire sales team. This requires a more relationship-oriented sales process. A prerequisite for the seller to be able to adapt the sales process however is that the buyer provides information to the seller regarding their buying process. These topics will be explored in the following section.

In order to find out how a relationship-oriented sales process could be developed, I will focus in this section on exploring the adaptation of the sales and buying processes. Firstly, I study how the seller takes the buyer into consideration. Secondly, I study how the sales and buying processes take the buyer and the seller into consideration. Third, I examine the adaptation of the sales process and the advantages that this could lead to are studied. Finally, the buyer’s readiness to adapt to the seller is studied.

4.2.1. Seller taking the buyer into consideration

Responses show that the seller did take the buyer into consideration during relationship initiation, even if not always in a planned and co-ordinated manner.

When asked if they took the buyer into consideration, the Chairman at the seller responded:

“I don’t know, but I would assume so” (Seller, interview WS310031-33)
Whereas the President said:

“No, I cannot say that we would have, no” and continued by stating that “one has to understand that there was no buyer at that time” (Seller, interview WS310038).

When stating that there was ‘no buyer’, the President is referring to the fact that the market was new and still forming. Hence, the seller was not certain who would become their target customers, which is typical when new markets are forming. In my view however, while the market was still indeed forming, and it was still somewhat unclear who the user of their services could be, it was not unclear who the buyer was, and the buyer was the customer.

With regards to the buyer’s technical specifications and requirements, the seller took these very much into consideration. According to the Chairman, the buyer was ‘in charge’.

“They [the buyer] were leading the specifications, all the time” (Seller, interview WS310091-33).

The Sales engineer interviewed stated that they took the buyer too much into consideration and that in the end it was more or less the buyer who specified the solution.

“Perhaps we took them too much into consideration” and “in all honesty, the first two versions were built following their own specifications” (Seller, interview WS310035-36).

The Product manager interviewed continued that the seller did everything that the buyer asked for.

“In this case we did everything what the buyer wanted, [we] even agreed to more than we could cope with” (Seller, interview WS310041-42).

The responses by the seller show that in this context the members of the selling team understand ‘taking into consideration’ in a passive and reactive manner instead of in an active and even proactive manner. Based on the seller’s responses, they did take the buyer into consideration – perhaps even too much. As they did not have a formalised sales process, the seller did not seem to know how to and when (they should or should not) take the buyer into consideration in their sales process during relationship initiation. Simultaneously, as the seller was not proactive enough with regard to leading the relationship initiation, the buyer constantly changed their specifications and mode of operating, which apparently required additional resources and led to higher costs for both parties.

4.2.2. The sales process taking the buying process into consideration

In this section I explore if the sales process took the buying process into consideration. Being aware that the seller did not adopt a formalised sales process, my goal is to get a more detailed view of how and to what extent the seller considered the buying process in their sales work and non-formalised sales process. The seller’s view is studied first, followed by the buyer’s view.
4.2.2.1. Seller’s view of considering the buying process in the sales process

To begin with, the seller’s sales process was not a documented or formalised process, but rather “the process was created as it progressed” (Seller, interview WS310041-42). Additionally, the (unformalised) sales process did not take the buyer’s buying process into consideration. As stated earlier, it was left up to each salesperson and member of the sales team to decide how to conduct his or her sales work.

According to the VP of sales, the sales process was not documented, but rather the salesperson and other members of the sales team had to show the flexibility and adapt to the situation and the needs of the customer:

“Our own process was not a documented ‘this is how it has to be done’ plan that is followed, but rather it consisted more of sales supportive material […] so it is up to the salesperson to show that flexibility [and adapt to the situation]. […] We were quite open to whatever process they [the buyer] used.” (Seller, interview WS310025-27)

The sales support material was not adapted to the buyer, but the seller adapted their sales work to the buyer’s process. As stated by the President in the selling company, the sales process did not take the buying process into consideration:

“No, that [considering the buyer’s buying process in our sales process] is something that we hardly did. Not at all, I would say.” (Seller, interview WS310038)

Since the seller did not have a formalised sales process, taking the buying process into consideration in order to adapt the sales process accordingly becomes next to impossible. In other words, the seller had no navigation points by which they could navigate as a team. Instead of carrying out the adaptation in a formalised manner as a team, the adaptation that was conducted merely occurred on an individual level. In this respect, each member of the sales team acted as a separate unit without mutual or planned co-ordination. As a conclusion, not having a sales process seems to have hindered the seller from taking the buyer’s buying process into consideration in a co-ordinated manner that would have helped guide the sales team in their work. Lacking a sales process, a remaining option for the seller may be to have each member of the team to show extreme flexibility and an ability to adapt to the present situation.

4.2.2.2. The buyer’s view of the seller’s consideration of the buying process within the sales process

Since the seller has already stated that they did not have a formal sales process in place, the concept of a sales process is understood here in a somewhat looser and wider sense. Instead of being formalised and structured, the sales process is widened to include how sales and the sales work is conducted.

According to the buyer, the seller had to take the buying process into consideration. When the market position and negotiation power is favourable for the buyer (i.e. when in a ‘buyer’s market’), it is necessary for the seller to adapt their in this case non-formalised sales process to the buying process. The power relationship is not necessarily related to differences in the size of the companies, but rather to their market position. Product manager 1 at the buyer company explained that a small company can have a stronger market position than a large company, e.g. in highly innovative fields of business. In this case however, the buyer regards the seller as having no other option than to adapt to the buyer and their buying process.
"[...] It is always the case when the market position is different [...]. Market position is the most important factor, I think. When you have a small company that is the market leader in its field and β clearly needs it [the solution], then I think that β would have to adapt. As long as it [the solution or supplier] is exchangeable, with regards to other suppliers who would be prepared to adapt and who can deliver, I think that no adaptation [by β] will occur. In this case we were always in a market where there were several vendors, so β could simply say ‘we want to have it like this’.” (Buyer, interview WS310047-49)

Additionally, it is not only a weaker market position that forces adaptation, but the existence of and rigidness of existing processes can also play a part as can be understood from the Purchasing manager’s later statement (when asked if he thinks that the sales process of the seller was adapted to the buying process of the buyer):

“Yes, I think so. They had no choice, because I think that when β has some requirements, then sales have to adapt, for their own good. [...] To build a functioning business relation, both parties have to adapt [to some degree]. However, there are always things that are firm, which can not be altered.” (Buyer, interview WS310058-59)

In this case, as noticed by Product manager 2, due to the rigidity of the buying process and in order to comply with the buyer’s requirements, the seller actually went much further than just adapting their sales process, as they ended up restructuring the company:

“Yes, I assume so [that the sales process by the seller was adapted to our buying process]. [...] In principle it was quite rigid, and the seller noticed that they will not make any progress in some points, they had to react in another way. Hence, I assume that it was adapted. [...] Basically, as far as I am aware, the whole company [seller] was restructured, so a lot of changes were made.” (Buyer, interview WS310062-63)

The responses by members of the buying team show that they expected the seller to comply with the buying process and the buyer’s way of working. On one hand this is justified with regard to the market position and negotiation power. On the other hand, the responses point to it being easier for the seller to adapt to the buyer than vice versa, since in the buyer’s opinion the buying process is too difficult to modify (even if the buyer should be prepared to modify their buying process). With regards to being able to adapt, the seller was the more flexible of them both. In addition to market position, an additional factor that affects the decision of who should comply with and adapt to whom could be flexibility. In this case, because the seller did not have a formalised sales process, they were more flexible. Hence, in order to enable the seller to easily comply with the buying process, the sales process should be flexible.

4.2.2.3. Summary and analysis regarding the sales process, taking the buying process into consideration

The fact that the seller did not adopt and follow a formalised sales process caused each member of the sales team to become responsible for conducting sales work according to their abilities and knowledge instead of providing their sales force a coordinated and structured approach for conducting sales. As the seller stated, there was no formal sales process, but rather the sales process was created during relationship initiation.

As pointed out by the buyer, the seller was expected to comply with and follow the buying process. The buyer’s reasons for expecting this include that the buyer had stronger market position, which enabled them to dictate the process. Additionally, even if the buyer would have wanted to, modify the buying process, it may have proved to be too difficult.
Instead of the sales process taking the buying process into consideration, the seller unknowingly went even further and (through their reactivity and eagerness to please) worked directly according to the requirements of the buyer and their buying process. Without the parties being aware of this, the buying process not only guided the buyer’s operation but also indirectly guided the seller. Nevertheless, the fact remained that the seller was unaware of their actions and behaviour, i.e. they simply complied with the buyer’s requirements, regardless of how wrong they sometimes perceived the buyer to be. The seller simply did everything that was asked of them in order to be awarded the contract.

4.2.3. The buyer and the buying process not taking the seller into consideration

Next, in order to understand the seller’s position in relationship initiation with regard to buyer’s readiness to adapt, I examine how (and if) the buyer and the buying process took the seller into consideration. My aim is to understand how the buyer takes the seller into consideration and adapts their buying process accordingly. This will provide a picture of the context in which the seller was dealing with the buyer.

When the buyer was asked if they took the seller into consideration in their buying process, the responses by the buying team members clearly show that they did not do so, nor were they prepared or willing to do so. According to Product manager 1, the Product and proposition manager, and Product manager 2, the buyer did not take the seller into consideration, but rather the buying process dominated the sales-buying situation.

“[…] I say this openly, [...] either he [the seller] plays along or not. In an organisation of the size of β it is required that certain things are standardised as far as possible. To change the direction in an organisation with [X thousand] or more people, if alterations from standard processes are made, is very difficult. Hence, my estimation is that it [the seller] was not taken into consideration.” (Buyer, interview WS310047-49),

“No. […] we had a clear view of what we wanted and that was what we expected [from the seller]. […] It was our process, as we wanted it. […] No. It [how the seller’s sales process looks like] was never of interest for us.” (Buyer, interview WS310053-54),

“Already in principle it [the buying process] is dominated by the buyer. The buyer states what is expected and the supplier basically has to deliver accordingly, i.e. only fulfil the requirements.” (Buyer, interview WS310062-63)

The buying process is constructed solely from the point of view of the buyer, and the seller is seen as a supplier who should deliver exactly what the buyer requests. As a central reason given for this approach, the buyer pointed out that due to the (large) size of the buying company, they are restricted with regard to the flexibility to adapt. However, the responses reveal that the buyer was not interested in making the extra effort to take the seller into consideration within their buying process. To what extent adaptation of the buying process would have been possible, remains unclear. However, it is known that the buyer’s buying process was considered rigid and inflexible, which suggests that while adaptation of the process would have been possible, it would also have been both difficult and time consuming. Nevertheless, the responses reveal that there did not seem to be enough interest to consider this.

Based on the interview statements collected, it seems that the situation in which the seller was with the buyer was regarded (by the buyer) as being a ‘buyer’s market’. Even if the inflexibility of the buying process and the complexity attached to modifying it
makes it seem unlikely that the buyer would have considered such an action, the real reason for not taking the seller into consideration seems to be pure unwillingness on the part of the buyer. Put simply, the buyer did not seem to see any reason why they should take the seller into consideration. In this respect, it seems that the statements about partnership that the buyer made during the relationship initiation process seem to have been buying tactics in order to gain more favourable terms and conditions as well as better service from the seller.

4.2.4. Adaptation of the sales process to the buying process

In the next section, I examine the adaptation of the sales process to the buying process. Firstly, the seller’s view regarding adaptation of sales process is studied. This includes studying if (and to what extent) adaptation occurred as well as how the sales process can be adapted. In addition to this, some prerequisites for sales process adaptation are presented. Secondly, the buyer’s view of the seller’s sales process adaptation is studied. This includes the buyer’s view regarding whether the sales process was adapted or not, and how the sales process could be adapted. Examining these areas will highlight how adaptation is important not only on a salesperson level, but also on a sales process level. In other words, adaptation does not only have to occur on an individual level but rather it could (and should) also be conducted on a sales team level in a co-ordinated manner throughout the sales process.

4.2.4.1. The seller’s view of adaptation of the sales process

Adapting the sales process to the buying process is something that the seller considers to be important. Both the seller’s VP of sales and the Chairman stated that the company did adapt, and they believe that this is a crucial attitude for any small vendor who wishes to sell to a large buyer. The VP of sales stated that adaptation occurred, but was critical of the fact that the buyer’s buying process was not fully applicable in this case. Adaptation can become problematic if the buying process is not suitable for the purchasing situation. Additionally, as pointed out by the Chairman, if the seller has to adapt to several buying processes simultaneously, adaptation becomes demanding.

"[Long silence] Absolutely. We hardly steered the process, i.e. the process was theirs. [...] I think that as a small company you are always in the hands of a large buyer. There is no [other] way than to adapt to their process. Then again, they had more or less good processes to adapt to."
(Seller, interview WS310025-27)

"Yes, I believe so, and I believe that is how it is at all small companies who sell to large ones. When the customer says ‘now we want to have it like this’, then you sort of adapt to that. [And when they say] ‘Now this is most important for us’, then you go in that direction. I believe that prior to having reached a certain size as a company, you have to do that. [...] You simply have to adapt to the customer, and before you have fully understood what is most important for them, you adapt to several different things, which makes it difficult and increases the workload. [...] Especially if you have three, four customers at the same time and you have to adapt to all of them. It is difficult to get those large companies to adapt to a small company. Unfortunately."
(Seller, interview WS310031-33)

The buyer was criticised for not letting the seller know how the buying process was constructed. It is only towards the end of the process (when the seller has already been selected) that the buyer shares such information. The seller seemed to be aware of the advantages that more openness could contribute to the situation, but the buyer does not seem to have realised and understood the importance (and benefits) of this openness. In fact, the buyer seems to keep the seller at a distance.
“Until the agreement it is actually the buyer who sets up the rules. [...] I have never experienced that it is [by the buyer] stated 'this is how it [the buying process] will look like'. However, if you ask how it will look like, how they have their process, [...] far to often, the customers are not especially open about how the process will look like. If they explain a little of the process, it is usually the end of the process, i.e. when you are have already been selected. [...] About the processes, some organisations are open, whereas others are completely quiet [...]” and “I have great difficulties to understand that [why the buyer keeps as a secret how their process looks like], so I don’t understand why they do this. I believe that it is somewhat of a tradition. Especially at larger buyers there is a tendency to keep an arm’s length distance [to the seller]. The seller cannot be trusted; they can use the information against us. [...] I have the feeling that this is changing, towards that they start realising that openness perhaps pays off more. Foremost, openness provides a much higher efficiency in the process.” (Seller, interview WS310029-27)

Unlike the VP of sales and the Chairman, the rest of the sales team did not consider that the sales process was adapted to the buying process. The responses of the President and the Product manager make this very clear. According to the President and the Product manager, the sales process was not adapted. Had the seller known how the buying process was constructed, the sales process would have been adapted, both pointed out. However, the President did not recollect if any analysis of the buying process ever took place.

“No, we hardly did. Not at all, I would say. [...] [Was the sales process in general adapted?] No. I cannot say that it would have been adapted. [...] [Would you have adapted the sales process, should you have known how the buyer’s buying process looks like?] Yes, absolutely. One does not have to be stupid [and not adapt if one knows how the buying process looks like]. [...] But I cannot remember that we would have sat down and went through an analysis of how their buying process looked like and figured out how we would adapt our sales process to their buying process. That I have no recollection of.” (Seller, interview WS310038)

“[Was the sales process adapted to the buying process?] No.” and “[Would the sales process have been adapted to the buying process, if you had known how the buying process looks like?] If we would have known how the buying process looks like? I am certain of that.” (Seller, interview WS310041-42)

At first, it seems odd that part of the sales team, namely the VP of sales and the Chairman were of the opinion that the sales process was adapted when the rest of the team did not consider that any adaptation of the sales process had occurred. However, when exploring this further, the Product manager’s response is revealing.

“[Was the sales work adapted to the buying process?] Yes, I think that we did it [adapted the sales work to the buyer’s buying process]. The sales process that we started using after this project was to a large extent based on this project. [...] From this project we learned that it is not beneficial to say ‘yes’ to everything.” (Seller, interview WS310041-42)

Unlike the Product manager, it seems that neither the VP of sales nor the Chairman made a distinction between the sales process and sales work. Hence, when commenting on adaptation of the sales process, they were actually referring to sales work and the adaptation that took place in that work, i.e. adaptation on an individual level.

According to the Chairman, the President and the Product manager, the adaptation of the sales process is a strategic decision. Furthermore, in order to adapt the process, a mechanism for adaptation is needed. As hinted at by the Chairman, in order to adapt to several customers’ processes simultaneously, a flexible or modular sales process is required.

How the sales process could be adapted and what is required of the buyer
In reference to how the sales process could be adapted to the buying process, the Chairman stated that *in order to know to what one should adapt*, one could simply *ask the buyer*. This would be followed by internal work at the selling company in order to appoint responsibilities and tasks to make the sales process fit with the buying process.

“What probably would be possible is of course that you sit down with the customer and ask how their buying process looks like. Thereby also explaining to the buyer that the purpose is to meet their requirements in a flexible way as possible, and then simply assign tasks within the company, so that it fits their [the buyer’s] buying process. And appoint responsibilities for each step of the process to match them all the way in a good way.” (Seller, interview WS310031-33)

According to the seller, adaptation also demands some requirements of the buyer. When considering statements made by the VP of sales, the Chairman, the President and the Sales engineer, adaptation also requires *knowledge* (about the target). As a consequence, *before adaptation can take place, more openness from the buyer is needed.*

“The perfect thing would be if there was a buyer who could communicate to their supplier in an open manner. I think that it would be good to have an open and straight process, tell who is participating, where they stand and, now we have three left, now we have two left, etc. [...] Everyone would know where they stand.” (Seller, interview WS310025-27)

“What probably would be possible is of course that you sit down with the customer and ask how their buying process looks like. Thereby also explaining to the buyer that the purpose is to meet their requirements in a flexible way as possible, and then simply assign tasks within the company, so that it fits their [the buyer’s] buying process. And appoint responsibilities for each step of the process to match them all the way in a good way.” (Seller, interview WS310031-33)

“It is possible to find out approximately how it [the buying process] works. [...] If you know them [the buying processes at buyers], then you can better adapt.” (Seller, interview WS310035-36)

The VP of sales states that *some buyers deliberately avoid discussing the buying process with sellers* and that in order to procure better terms and conditions, with some buyers playing off the sellers against each other. On the other hand, the VP of sales also pointed out that sellers can also misuse openness and that there is a risk of cartels forming between sellers. However, as this is illegal, he saw this as a risk that a buyer should take.

“Clearly, this would be beneficial for the seller. At the same time, I think that many buyers are scared since they want to have as many as possible to believe that they are in the process so that they [the sellers] can sort of squeeze the prices in the end. By doing this they use resources from the sellers who are actually not in the process [selection group] anymore. In my view that is false. [...] I think that one can reach exactly the same thing [result] through [...] having openness in the process, by saying that now there are two left and we will continue to negotiate with both quite far before we make our decision. Everyone would know where he or she stands. It is clear that this opens up for cartels [...] It is of course forbidden, but that would be a risk that one [as buyer] would have to take.” (Seller, interview WS310025-27)

Additionally, cultural and operational differences between customers should be taken into account.

“In my view, there is a difference in the selection and buying processes between countries, cultures, and operators.” (Seller, interview WS310035-36)

Based on informant statements, the seller is clearly in favour of adapting the sales process to the buying process. This shows that *adaptation should not only occur on an individual level, as carried out by the members of the sales team, but that the process that guides the sales team as a whole could also be adapted to the buying process. However, adaptation also demands some requirements of the buyer; therefore the
buyer should show more openness towards the seller and provide information regarding the buying process.

4.2.4.2. Buyer’s view of seller sales process adaptation

Although the buyer did not pay much attention to the sales process of the seller and did little to help the seller, the buying company still considers it advisable for the seller to adapt their sales process and sales work to the buying process.

In this case, according to all informants at the buyer company, the seller did actually adapt their (non-formalised) sales process to the buyer’s buying process. However, the buyer did not regard the adaptation to be planned or managed approach by the seller, but instead considered the seller as having no other choice. As clearly stated by Product manager 1, the Purchasing manager, and Product manager 2, if the seller wanted to pursue a business engagement scenario with the buyer, they had no other choice than to adapt:

"[...] I say this quite openly, [...] either the seller plays along or he doesn’t [...]. I am convinced of that it [the sales process] was adapted [...] as far as possible." (Buyer, interview WS310047-49)

"Yes, I think so. It was done because there was no other way. I simply think that when we have certain requirements, the seller cannot get around it, but has to adapt." (Buyer, interview WS310058-59)

"In principle it [the buying process] was quite rigid, and the seller noticed that they will not make any progress in some points, they had to react in another way. Hence, I assume that it was adapted." (Buyer, interview WS310062-63)

Simultaneously, as stated by Product manager 2, the seller was not assumed to have adopted or followed a formalised sales process.

"However, I do not believe that α in this case would have developed a sales structure [...]." (Buyer, interview WS310058-59)

The responses show that although the buyer was not really interested in the seller’s sales process, they knew that the seller did not have a formalised sales process. Hence, in this context adaptation mostly refers to adaptation of the sales work, not the actual process that guides the sales team and their work. Additionally, the buyer was aware that the adaptation was conducted because the seller had no alternative; the buyer dictated the process and the seller complied. The buyer was practically forcing the seller to follow their buying process. It seems that the reactive approach adopted by the seller was by the buyer interpreted as being adaptive.

How the sales process could be adapted and what to avoid

According to the buyer, it is advisable for the seller to adapt their sales process to the buyer’s buying process. As shown in the following statements, all members of the buying team regard it important that the seller adapts and that the buyer facilitates this by providing information to the seller regarding the buying process and how it operates:

"I think that the points that have to be cleared with the supplier during the buying process, i.e. decision making points, time schedules, these have to be communicated [to the seller] as far as possible. In general, a part of the process has already elapsed before one or the other supplier enters the RFI or RFQ process. [...] There can be things that cannot be estimated e.g. because they are too far in the future or because we are waiting for responses from the late entrants [...]"
but future steps in the process [...] can be explained quite well, e.g. the time schedule and the requirements. But also when it becomes more vague, e.g. because of things that will happen in six months, one can naturally explain the future steps on a general level, so that one can prepare for them. That is something that I regard positively, when one makes it transparent how, in terms of timing and process wise a decision will be reached at the end.” (Buyer, interview W3100047-49)

“In my opinion, you simply have to find out how do I adapt my communication and way to do things to the customer. That is key. [...] Regarding the decision maker you have to find out how he wants to have it, and then you have to act accordingly, otherwise he will find someone else who plays along. Even if there is a difference in price, but the buyer wants to have their process.” (Buyer, interview WS3100053-54)

“[...] When aiming to build a partnership, it is beneficial to adapt ones processes.” (Buyer, interview WS3100058-59)

“It is always advantageous for the buying process that you get through it fairly smooth. So, in that case the buying process is the master, and all other processes [including the adapted sales process] are arranged according to it [the buying process].” (Buyer, interview WS3100062-63)

As Product manager 1 points out, even if all events during the buying process cannot be estimated (e.g. because they are too far in the future), the buyer can, at least on a general level explain the steps of the process to the seller. In spite all the members of the buying team being in favour of transparency with regards to the buying process, buyers rarely describe the steps of the buying process to the seller. Nevertheless, the buyer views it as advisable and important that the seller adapts their selling process to match the buying process wherever possible. As pointed out by Product manager 2, the buying process should be the ‘master’ process:

“The buying process is the master, and all other processes [including the adapted sales process] are arranged according to it [the buying process].” (Buyer, interview WS3100062-63)

Despite the ultimatum-like recommendation that the sales process should be adapted to the buying process, the seller also provides words of caution to the seller. Product manager 2 points out that even if this would benefit the buyer (at least on short term), the seller should not be ‘too eager’ or act in desperation, since this would be regarded negatively by the seller. Likewise, the seller should not refrain from adapting their process.

“You [seller] have to be careful not to suddenly become too flexible and say ‘we do anything that you want’, so that you loose the ‘seriosity card’ [i.e. loose your professional credibility]. [...] In principle that means that you should convey a coordinated approach but enough flexibility so that you [as a seller] don’t block [i.e. say ‘no’ to] the other one [the buyer].” (Buyer, interview WS3100062-63)

To summarise, the responses by the buyer clearly show the following: first, the buyer was well aware of the situation in which the selling company found themselves. Although they were not interested in how the seller organised their selling, they knew that the seller did not have a formalised sales process. Second, the buyer knew that if the seller wanted to do business with them, they (the seller) would have to adapt to their buying process. Third, the buyer was aware that their buying process was not very flexible. These findings, together with the fact that the buyer did little in order to facilitate relationship initiation, suggest that in this case the buyer took advantage of the situation. The buying company knew that they were forcing the seller to follow their buying process, and in spite of realising the benefits of being open, they did not communicate their buying process to the seller. However, as stated earlier by the Proposition and product manager, that was how the buyer previously used to operate,
whereas nowadays they describe their buying process, at least on a general level, to potential vendors.

“However, today we describe our process when we are buying something. [...] Back then I believe that we were still learning.” (Buyer, interview WS310053-54)

Optimally, the seller and the buyer would find a balanced approach for their cooperation that would result in a good match between the processes. As shown by the means of the data collected, this kind of approach requires honesty, openness, transparency and foremost, the willingness of the two parties to achieve a win-win solution.

4.2.4.3. Summary and analysis regarding adaptation of the sales process to the buying process

Both the seller and the buyer regard the adaptation of the sales process to the buyer's buying process as being important and beneficial for both parties. The seller's statements show that they are very much in favour of adapting their sales process, and they even consider it crucial in the case that a small vendor wants to sell to a large buyer. In this case however, instead of conducting adaptation on process level, it was restricted to ad-hoc adaptation on personal level. The sales work was adapted to the buyer's requirements, whereas sales on a process level no adaptation took place. Lacking a strategic approach and a process for conducting sales, adaptation was mostly carried out on person level. Nevertheless, should the seller have known how the buyers buying process operated, they would have adapted to it. However, the buyer was reluctant to provide such information to the seller.

Despite the advantages that adaptation of the sales process to the buying process can generate, some buyers do not want the seller to become aware of their buying process, but rather prefer to keep the seller at arm’s length, something that in this case the buyer admits. According to the buyer however, times are changing. They did not previously have the habit of describing their buying process to sellers, but after recently having understood the possible advantages and benefits of doing so, they have since begun to explain their buying process to potential suppliers. In other words, the buyer is now in favour of the seller adapting to their buying process. As a consequence, the buyer prefers both parties to follow the buying process, i.e. it should be the 'master' process that guides relationship initiation. At the same time however, the buyer points out that the seller should not become ‘too flexible’ and agree to everything, since this could be interpreted as ‘desperate’.

Regardless of their willingness to adapt, the seller regards it difficult to simultaneously adapt to several buying processes. However, this is a necessity for most sellers; few companies have the luxury of selling to one buyer at a time. Most companies are engaged in relationship initiation with several buyers simultaneously, and they each have their own buying processes. Should the seller simply adapt to several buying processes simultaneously without having a structure for their work, the adaptation will again be an ad-hoc adaptation of sales work on person level that can become extremely resource demanding. For the seller to be able to adapt to several buying processes simultaneously not only requires a strategic decision, but also a mechanism for adaptation. As shown through the data presented, the seller needs an adaptable and flexible sales process. In other words, in addition to adaptation on individual level (as is carried out by the members of the sales team), even the process that guides the sales team as a whole could be adapted to the buying process.
4.2.5. Advantages and disadvantages of seller’s sales process adaptation to the buyer’s buying process

The seller is in favour of the adaptation of the sales process to the buying process, and the buyer even considers this to be necessary in most cases. Both the seller and the buyer share the opinion that adaptation is important, especially in relationship initiation between small vendors and large buyers. In this section I study why adaptation of the sales process is considered to be important, and I will explore advantages and disadvantages that adaptation of the sales process may cause. This section begins with a study of the seller’s view and then looks at the buyer’s view regarding the adaptation of the sales process.

4.2.5.1. Seller’s view regarding the advantages and disadvantages of adaptation of the sales process

In this section the seller’s view regarding the adaptation of the sales process is examined. First, advantages of the adaptation of the sales process to the buyer’s buying process are presented and studied. Second, the disadvantages of adaptation are discussed. Statements made by the seller show that there are several advantages of the adaptation of the sales process to the buying process. As will be shown, the advantages clearly exceed the disadvantages.

Advantages of adaptation of the sales process

According to the seller, as stated by the Sales engineer and President, the advantages of adaptation of the sales process are evident:

“In think that the advantages are crystal clear.” (Seller, interview WS310035-36)

“The advantages are self evident.” (Seller, interview WS310038)

The seller pointed out thirty-five advantages that adaptation of the sales process could lead to. Of all the thirty-five advantages mentioned by the seller, twenty refer to resourcing, ten affect the relationship between the seller and the buyer, and five relate to the sales process or to be accurate to the sales cycle. The advantages are presented in Table 9, which follows Wolcott’s (1994) D-A-I (Description, Analysis, and Interpretation) structure. The first column of the table indicates the informant’s position in the company. In the second column, the advantages are described as stated by the informant. In the third column the statements are analysed, based on the context in which the advantages were stated. The analysis shows what the described advantage refers to and ‘how things work’ (Wolcott 1994, 412). In the fourth column, I provide my interpretation of the description and the analysis thereof. The interpretation shows how the advantage relates to and affects relationship initiation and the selling and buying process at large.

Table 9 Advantages of adaptation (seller’s view)

<table>
<thead>
<tr>
<th>Description</th>
<th>Analysis</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>VP of sales Improved efficiency in process: More accurate info from seller -&gt; knowledge transfer</td>
<td>Improved communication and product quality, less misunderstandings</td>
<td>Quicker ROI for project/ deal and stronger relationship</td>
</tr>
<tr>
<td>‘Teamgeist’</td>
<td>Shared view and commitment to mutual project</td>
<td>Stronger relationship</td>
</tr>
<tr>
<td>------------</td>
<td>---------------------------------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>Improved product quality</td>
<td>Less testing required, less errors</td>
<td>Quicker ROI for project/ deal</td>
</tr>
<tr>
<td>Less testing needed</td>
<td>Less resources required for testing</td>
<td>Quicker ROI for project/ deal</td>
</tr>
<tr>
<td>Less resources needed</td>
<td>Lower project costs</td>
<td>Quicker ROI for project/ deal</td>
</tr>
<tr>
<td>Quicker legal negotiations</td>
<td>Shorter sales cycle</td>
<td>Accelerated revenue generation</td>
</tr>
<tr>
<td>Shorter testing process</td>
<td>Fewer resources required, shorter sales cycle</td>
<td>Quicker ROI, accelerated revenue stream</td>
</tr>
<tr>
<td>Lower personnel costs</td>
<td>Fewer resource investments needed</td>
<td>Quicker ROI for project/ deal</td>
</tr>
<tr>
<td>Chairman</td>
<td>More contracts for seller (due to higher efficiency)</td>
<td>Improved efficiency and resource allocation</td>
</tr>
<tr>
<td></td>
<td>Quicker response times</td>
<td>Improved efficiency and resource allocation</td>
</tr>
<tr>
<td></td>
<td>Better feedback</td>
<td>More accurate mutual understanding</td>
</tr>
<tr>
<td></td>
<td>More structured working</td>
<td>Improved resource allocation</td>
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<tr>
<td></td>
<td>Resource allocation</td>
<td>Cost savings</td>
</tr>
<tr>
<td></td>
<td>Mutual understanding</td>
<td>Improved communication and product quality, less misunderstandings</td>
</tr>
<tr>
<td></td>
<td>Resource allocation</td>
<td>Cost savings</td>
</tr>
<tr>
<td>For buyer:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Quicker responses</td>
<td>Improved efficiency and resource allocation</td>
</tr>
<tr>
<td></td>
<td>Fewer misunderstandings</td>
<td>Improved communication and less stress</td>
</tr>
<tr>
<td></td>
<td>Improved customer service</td>
<td>Higher satisfaction</td>
</tr>
<tr>
<td></td>
<td>Less frustration</td>
<td>Higher satisfaction</td>
</tr>
<tr>
<td></td>
<td>Better deliveries</td>
<td>Less testing and other resources required</td>
</tr>
<tr>
<td>Sales engineer</td>
<td>Better steering</td>
<td>Improved communication and less stress</td>
</tr>
<tr>
<td></td>
<td>Resource allocation</td>
<td>Less costs</td>
</tr>
<tr>
<td></td>
<td>Simplification of work</td>
<td>Less resources required, time savings</td>
</tr>
<tr>
<td></td>
<td>Financial savings</td>
<td>Less costs</td>
</tr>
<tr>
<td></td>
<td>Less frustration</td>
<td>Higher satisfaction</td>
</tr>
<tr>
<td></td>
<td>Lowers risk of burnout</td>
<td>Improved efficiency and satisfaction</td>
</tr>
<tr>
<td>President</td>
<td>Better navigation</td>
<td>Improved and more accurate resource allocation</td>
</tr>
<tr>
<td></td>
<td>Shortens sales cycle</td>
<td>Time savings, improved resource allocation</td>
</tr>
<tr>
<td></td>
<td>Shortens sales cycle</td>
<td>Time savings, improved resource allocation</td>
</tr>
<tr>
<td></td>
<td>Resource allocation</td>
<td>Monetary savings</td>
</tr>
<tr>
<td></td>
<td>Opportunity cost and prioritisation of customer case</td>
<td>Time savings (e.g. through discarding non-promising cases), efficiency</td>
</tr>
<tr>
<td>Product manager</td>
<td>Increased trust</td>
<td>More efficiency in co-operation</td>
</tr>
</tbody>
</table>
Most of the advantages mentioned by members of the sales team are either directly or indirectly related to resource allocation. Directly related advantages include: reduction in required resources, improved resource allocation, and more efficient resource allocation. Advantages that indirectly relate to or affect resource allocation in a positive way include: improved efficiency in the sales process, improved product quality, less testing, shorter testing process, lower personnel costs, quicker response times, better feedback, more structured working, quicker responses, better deliveries, simplification of work, financial savings, improved planning ('better navigation'), opportunity costs and prioritisation of customer cases.

Both the direct and indirect advantages refer to (or have an effect on) resources at the seller, buyer or both. When resources are allocated, something is expected in return. In this case, the goal was to engage into commercial co-operation that would in return provide sales revenues for the seller. As for the buyer, in return for their investing into the solution and for their co-operation, they expected a fully functional solution and high-quality support services. The solution enables the buyer to provide mobile broadband services to their customers who, through using their mobile data services would generate data traffic and thereby sales revenues for the buyer. For both parties, success was measured through ROI (Return on Investment). The higher and more quickly the ROI for the project is achieved, the more successful it is regarded to be.

The second group of advantages relates to the relationship between the parties. These include: knowledge transfer, ‘Teamgeist’ (team spirit), mutual understanding, fewer misunderstandings, improved customer service, less frustration, better project ‘steering’ (or manoeuvring), less frustration, lowered risk of burnout, and increased trust. These elements all increase the quality, satisfaction, and the efficiency of the co-operation between the parties. Although these advantages have a positive effect on resource allocation, they also have a strengthening effect on the relationship (initiation).

The third group of advantages has a positive effect on the duration of the sales process, i.e. the sales cycle. These advantages include: more contracts for the seller, shortens sales cycle, and faster closure. In addition to these advantages, ‘improved efficiency in process’ also fits in this group. Like the advantages that have an effect on resources, advantages that have an effect on the sales cycle also affect the ROI. Additionally, advantages that have an effect on the sales cycle also speed up access to sales revenue. The conclusion to be drawn here is that all advantages that result in a shorter sales cycle or faster closure of a deal enable the seller faster access to revenue, hence speeding up the ROI and thereby the success of the project.

Disadvantages of adaptation of the sales process

Most of the informants at the selling company did not mention any possible disadvantage of adapting the sales process to the buyer’s buying process. Only the Sales engineer and the President provided comments regarding any possible disadvantages:
“The disadvantages, well, are there any significant disadvantages? I doubt it. The only one that I can think of is that if such a process would have been very restrictive in terms of freedom to move. [...] Should such a planned [sales] process that matches their buying process have restricted us too much, [...] I think that it could have had a restricting effect on the amount of reference customers that we acquired.” (Seller, interview WS310035-36)

“Disadvantages can be e.g. that you blindly follow the customer’s process instead of concentrating yourself on what you have to do. [...] That would be a theoretical disadvantage.” (Seller, interview WS310038)

In other words, instead of allowing the seller to manoeuvre freely (in a way that takes also the seller company’s interests into consideration), a process that would restrict sales work could make the seller overly selective with regard to the sales opportunities being pursued. According to the seller, a restrictive process could have held the seller back from customer cases where uncertainty regarding how to proceed was considered to be high. This could have led to the seller acquiring fewer reference customers.

The point that the President raised regarding blindly following the customer’s process is also important. What he is referring to is that the seller should not become passive. Especially when selling new solutions in emerging markets, the seller has to be an active party. First, the buyer may not even be aware of the solution that the seller has invented and developed. Second, the buyer’s customers may not (yet) feel the need for a service or improvement to an existing service that the solution would bring them. (It is the seller’s responsibility to make the buyer aware of the solution, and not vice versa.) If the seller blindly follows the buyer’s process (without properly qualifying the sales opportunity), this can lead to the seller allocating excess resources in a sales opportunity, which could be a possible disadvantage. In this specific case, due to the lack of a sales process that would have matched the buying process, the seller sometimes overpromised. However, even if this required the seller to allocate additional resources, in retrospective, overpromising enabled the seller to close deals that it otherwise may not have been able to win.

“The part of the process that we missed, namely matching the sales process with the buying process, sometimes caused us to [...] promise too much. Then again, [...] there are some deals in the past that would actually never have been made, had we not promised more than we were sure of.” (Seller, interview WS310038)

The point that the seller raises is an important one because when selling new solutions in an emerging market, the seller needs to be flexible in order to be efficient. Hence, one can conclude that in addition to being adaptable, the sales process should also allow enough freedom for the seller to manoeuvre, i.e. the process should be flexible and easily adaptable.

4.2.5.2. The buyer’s view regarding advantages and disadvantages of the seller’s sales process adaptation

Next, the buyer’s view regarding adaptation of the sales process is explored. First, the advantages of the seller’s adaptation of their sales process to the buyer’s buying process are presented and studied. Second, possible disadvantages of the adaptation are discussed.

Advantages of the seller’s sales process adaptation

The buyer points out twenty-two advantages that the adaptation of the sales process could lead to. Of the advantages mentioned by the buyer, nine refer to (or have an effect
on) resourcing, whereas thirteen refer to the relationship between the seller and the buyer. The advantages are presented in Table 10, which follows Wolcott’s (1994) DAI (Description, Analysis, and Interpretation) structure. The first column of the table indicates the position of the informant. In the second column, the advantages are described as stated by the informant. In the third column, based on the context in which the advantages were stated, the statements are analysed. The analysis shows what the described advantages refer to and ‘how things work’ (Wolcott 1994:412). In the fourth column, I provide my interpretation of the description and the analysis thereof. The interpretation shows how the advantage relates to and affects both relationship initiation and the selling & buying process in general.

Table 10  Advantages of the adaption of the sales process (buyer’s view)

<table>
<thead>
<tr>
<th>Description</th>
<th>Analysis</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product manager 1  Better planning (for both</td>
<td>Improved efficiency,</td>
<td>Improving buyer-seller</td>
</tr>
<tr>
<td>parties)</td>
<td>developing trust</td>
<td>relationship</td>
</tr>
<tr>
<td>Improved co-operation</td>
<td>Improved communication</td>
<td></td>
</tr>
<tr>
<td>(through better planning)</td>
<td>and efficiency</td>
<td></td>
</tr>
<tr>
<td>Openness in communication</td>
<td>Honest and direct</td>
<td></td>
</tr>
<tr>
<td></td>
<td>communication</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Improving buyer-seller relationship</td>
<td></td>
</tr>
<tr>
<td>Product and proposition manager  Testing seller’s</td>
<td>Signs of seller’s customer-</td>
<td>Relationship indicator</td>
</tr>
<tr>
<td>flexibility</td>
<td>orientation</td>
<td></td>
</tr>
<tr>
<td>Seller entering ‘considered’ status</td>
<td>Adaptation, prerequisite for becoming supplier</td>
<td>Improving seller-buyer</td>
</tr>
<tr>
<td>Purchasing manager  Consensus</td>
<td>Mutual understanding and commitment</td>
<td>Relationship indicator</td>
</tr>
<tr>
<td>Resource allocation</td>
<td>Efficiency in resource allocation</td>
<td></td>
</tr>
<tr>
<td>Faster closure (for seller)</td>
<td>Time and resource savings</td>
<td>Quicker ROI and launch</td>
</tr>
<tr>
<td>Incoming cash flow (for seller)</td>
<td>Seller avoids risk of running out of money</td>
<td>Improving supplier-buyer relationship</td>
</tr>
<tr>
<td>Improved mutual resource planning</td>
<td>Meeting project time</td>
<td></td>
</tr>
<tr>
<td></td>
<td>schedule and resource savings</td>
<td></td>
</tr>
<tr>
<td>Product manager 2  Smoother process (better</td>
<td>Improved and more</td>
<td>Securing ROI and launch</td>
</tr>
<tr>
<td>steering)</td>
<td>accurate resource planning</td>
<td></td>
</tr>
<tr>
<td>Increased satisfaction (at buyer)</td>
<td>Developing mutual trust</td>
<td>Improving supplier-buyer relationship</td>
</tr>
<tr>
<td>Less work</td>
<td>Higher efficiency</td>
<td>Quicker ROI</td>
</tr>
<tr>
<td>Less stress</td>
<td>Mutual understanding</td>
<td>Improving buyer-supplier relationship</td>
</tr>
<tr>
<td>Prognosis for future cooperation</td>
<td>Developing mutual trust</td>
<td>Improving buyer-supplier relationship</td>
</tr>
<tr>
<td>Developing trust</td>
<td>Mutual commitment</td>
<td>Improving buyer-supplier relationship</td>
</tr>
<tr>
<td>Improves seller’s chances to become shortlisted</td>
<td>Sign of interest and commitment from supplier</td>
<td>Improving supplier-buyer relationship</td>
</tr>
<tr>
<td>Reduces stress</td>
<td>Standardised buying process lowers risk for</td>
<td>Improving buyer-supplier relationship</td>
</tr>
<tr>
<td></td>
<td>ad-hoc interventions</td>
<td></td>
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</table>
Advantages that refer to or would have an effect on resourcing (and thereby on the ROI of the project) include: improved co-operation, resource allocation, faster closure (for the seller), improved mutual resource planning, a smoother process, less work, process handling improvements, more efficient resource planning and smooth progress through the process. The last of these advantages also has a positive effect on the relationship, and is therefore included in both categories (resourcing and relationship). Similar to the resource-related advantages stated by the seller, the resource-related advantages described by the buyer also affect the ROI of the project. Simultaneously, most of the advantages have an effect on the success of the service launch. Both ROI and success of the service launch are important for the buyer and both of these elements are linked to each other. A service launch that is considered successful by the buyer in the case is conducted with planned resources and within a planned time schedule. In this specific case, a successful launch was the main goal for the buyer.

Advantages that have an effect on the buyer-seller relationship include: better planning, openness in communication, testing seller’s flexibility, seller entering ‘considered’ status, consensus, incoming cash flow (for seller), increased satisfaction (for buyer), prognosis for future co-operation, developing trust, improvement of seller’s chances to become shortlisted, stress reduction, and smooth progress throughout process. In the context in which the buyer stated the advantages, the advantages mentioned contribute to the buyer-seller relationship. The advantages can act as indicators for (or provide a prognosis for) the future relationship, or they can help develop trust and mutual commitment between the parties.

Disadvantages of the seller’s sales process adaptation

A possible disadvantage of the sales process adaptation is that the Product and proposition manager mentions the risk that the buyer would abuse the seller’s flexibility and willingness for relationship initiation:

Well, [as a seller] you always have to be careful that you don’t become a ‘pinball’. But I think that it is an easy calculation; when the customer wants to get invited every weekend to Moscow to play golf, and when the ROI does not materialise, then you can say ‘sorry’ [to the customer], find someone else.” (Buyer, interview WS310053-54)

What this person is referring to are situations where the buyer misuses the goodwill of the seller for personal profit or gain. As the interviewee stated, the ROI calculation must be positive. If it is not then the seller should stop pursuing such a business engagement. According to Product manager 2, another possible disadvantage or risk can arise if the seller is being ‘too flexible’. Simultaneously however, the seller should not obstruct the buyer from the buyer’s process.

“You have to be careful not to suddenly become too flexible and say ‘we do anything that you want’, so that you loose the ‘seriousity card’ [i.e. loose your professional credibility]. [...] In principle that means that you should convey a coordinated approach but enough flexibility so
If the seller is ‘too flexible’, this could be interpreted as desperation by the buyer. In such a case the seller would jeopardise their professional credibility. However, should the seller obstruct the buyer, this could be regarded as stubbornness or inflexibility. Both are likely to have a negative effect on the buyer-seller relationship.

As stated by both the seller and the buyer, the adaptation of the sales process offers considerable advantages that are likely to have an effect – especially on resource allocation and the buyer-seller relationship, but also on the sales process. As stated by Product managers 1 and 2, despite the advantages and positive effects gained, adaptation does not guarantee that relationship initiation will lead to a business engagement.

“It [adaptation by the seller] simply enables a better co-operation. And in the end that [co-operation] does not need affect the decision [co-operation does not imply a mutual deal], in the end you can say that based on these reasons we cannot reach a deal. Then it is relatively easy to explain the decision since you have looked the whole thing through. It can also happen that no supplier is selected, because the market is not yet ready.” (Buyer, interview WS310047-49)

“However, getting through the process in a smooth manner does not guarantee that the process as a whole is successful [and that it will lead to a relationship]. A smooth process flow is good and provides the ‘basic cards’ [basic pre-requisite for co-operation].” (Buyer, interview WS310062-63)

Although adaptation and openness in co-operation are seen as positive attribute, facilitating open communication, this does not imply that the outcome of relationship initiation should always lead to a business engagement and a contract between the parties.

4.2.5.3. Summary and analysis regarding advantages and disadvantages of sales process adaptation

According to the data gathered for this study, the adaptation of the seller’s sales process to the buyer’s buying process creates several advantages not only for the seller, but also for the buyer, and to relationship initiation in general. However, depending on how adaptation is conducted, the adaptation can also create some disadvantages for the seller.

Advantages for the seller include: more efficient resource allocation, an improved relationship with the buyer, and an enhanced sales process. More efficient resource planning in this scenario refers to the more timely and accurate allocation of resources when and where they are needed instead of keeping resources on standby in case the buyer needs them, as often is the case when applying an ad-hoc approach to conducting sales work. An improved relationship with the buyer refers to those factors that increase the quality, satisfaction, and efficiency of the co-operation, which result from the seller and buyer being aware of what should occur and when. In addition to improving resource allocation, these factors have a strengthening effect on the relationship between the parties. An enhanced sales process is linked to an increased success rate in signing customers using the same amount of resources. The cost of signing a customer, one of the most significant figures for a seller, is likely to decrease through adaptation of the sales process. Simultaneously, the expected return in the form of sales revenues is likely to increase due to the seller being able to serve additional buyers without increasing their resources.
Advantages for the buyer include: *improved resource allocation, and improved relationship initiation*. Improved resource allocation includes improved planning, shorter lead times, and enhanced project management; all of which contribute to an improved ROI for the purchase. Improved relationship initiation includes advantages that strengthen the relationship (initiation) between the parties.

Possible disadvantages include causing the seller to be overly selective in a way that restricts sales work. As pointed out by the seller, in addition to being adaptable, a sales process should also include a sufficient amount of freedom for the seller to manoeuvre. Hence, in addition to being adaptable, a sales process should also be easily modifiable.

A further disadvantage would occur if the buyer misuses the seller’s readiness to adapt. Additionally, in order for the seller not to be regarded as desperate and lowering their professional credibility, the seller should not become ‘too flexible’ and agree to everything that the buyer demands.

Despite the advantages of adaptation seen, it cannot be assumed that the outcome of relationship initiation would (or even should) always lead to a business engagement and a contract between the parties. Instead, *adaptation of the sales process could be regarded as a facilitator and as a strategic approach* that enables the parties and relationship initiation to progress in a more effective and positive manner.

### 4.2.6. Buyer’s readiness to adapt their buying process

In this section, the buyer’s readiness to adapt their buying process to the seller’s sales process is studied. First, the sellers view regarding the buyer’s readiness to adapt is studied. Following this, the buyer’s view and responses are studied. Studying the buyer’s readiness to adapt provides valuable information regarding the development of a relationship-oriented sales process for enhancing relationship initiation between the parties.

#### 4.2.6.1. Seller’s view of the buyer’s readiness to adapt

According to the seller, *the buyer is not ready to adapt their buying process*. It is not realistic in their point of view to assume that the buyer would adapt their process to the seller’s sales process. Although most members of the selling team found the idea both interesting and positive, they did not expect the buyer to adapt:

“No.” (Seller, interview WS310025-27)

“No, they are not [prepared to adapt their buying process to the seller’s sales process].” (Seller, interview WS310031-33)

“[Laughter] No, no.” (Seller, interview WS310035-36)

“No, I am not sure about that. […] I have a feeling that they are not prepared to adapt themselves […].” (Seller, interview WS310041-42)

The reasons for why the seller presumed that the buyer would not be prepared to adapt are twofold. First, the difference in size between the companies in this case study is seen as an inhibitor for adaptation. According to the seller, *a large buyer would not be prepared to adapt to a small seller.*
A large operator against a small vendor." (Seller, interview WS310025-27)

"It is not possible [...] they are too large." (Seller, interview WS310031-33)

"Partly they are a large operator." (Seller, interview WS310035-36)

"I have a feeling that they are not prepared to adapt themselves to a small vendor as α was." (Seller, interview WS310041-42)

Instead of taking these statements to literally mean that large buyers would not be prepared to adapt to a small seller due to the difference in company size, I consider that company size as such is not the deciding factor; what the seller is actually referring to is negotiation power and market position. Should the seller have had a stronger market position than the buyer, by having a monopoly on the technology (through a patent for example), they could have expected the buyer to be more flexible and even to adapt to their selling process. In this particular case, the buyer had a very large customer base that they used as leverage in commercial negotiations with potential vendors, and the seller knew that if they succeeded in engaging in business with the buyer, the sales revenues could be significant. As a result, it was very much in the seller’s interest to enter into business with the buyer. Hence, according to the seller, the buyer did not feel the need to adapt to the seller.

The second reason the seller presumed the buyer would not adapt was that the seller assumed the buying company preferred to follow their own processes. According to the seller:

"If they have a process, they will follow it." (Seller, interview WS310031-33)

" [...] I assume that they have very extremely rigid processes for how to do this [purchase]. It will be done in a certain manner, otherwise you [the seller] can go to a smaller operator." (Seller, interview WS310035-36)

"In my opinion β is a customer that has processes and has used their processes for a long time and know/ think that they work." (Seller, interview WS310041-42)

The seller points out the fact that the buyer is a company that has a formalised buying process and that the buyer is keen on following their own processes as far as possible. The buyer was not regarded flexible or innovative with regard to the buying process; even if the general process would not work optimally, the buyer would not see the need to change it. Additionally, should the seller not comply with their process, the buyer might turn to another supplier. The large size of a buying company suggests that there are several sub-processes and a large amount of personnel tied into the buying process. Hence, any adaptation of the buying process could also require adjustments and changes being made to the sub-processes, which again could cause further complexity, increase the total cost of the project and cause a slower ROI on the project for the buyer.

Only the President at the seller was of the opinion that the buyer in some respect adapted their process to the seller’s process.

"Well, in some way I believe that there was some level of adaptation, so my response is ‘yes’. Regarding this case specifically, I cannot say, you will have to ask β. However, we were out there creating a new market and this procedure with a test license agreement etc., I have difficulties believing that this was part of a formal purchasing process. [...] In this case specifically it was a sub-licensing agreement that granted them the right to distribute our software to their customers. That was new. It was a new business model that even affected their purchasing [process]." (Seller, interview WS310038)
However, it is possible that the President was confusing the purchasing process with the business model. Indeed, the market was new and the buyer was not familiar with test license agreements. Nevertheless, even if a new business model may affect progress through to the purchasing process, the business model does not necessarily force changes to the buying process as such.

The VP of sales stated that should the buyer have adapted their process, this would have speeded up the sales process overall:

"[If they would have,] it [the sales process] could have gone faster." (Seller, interview WS310025-27)

The VP of sales continued by pointing out that the buyer’s closed attitude (with regard to providing information on their buying process) caused the process to advance more slowly than it could have. A more open attitude on the buyer’s side could have accelerated the process.

"I think that the process could have gone faster if there would have been more openness from their side. [...] We get back to trust in a company and so on. [...] It requires building trust in many areas." (Seller, interview WS310025-27)

In other words, if the buyer would have been more flexible, relationship initiation could have progressed more rapidly. The buyer could have enabled the seller to adapt to the buying process by providing the seller with an insight into the buying process. In order to make relationship initiation run more smoothly with regard to acceptance of the business model and licensing agreement templates at the very least, the buyer could also have adapted to the seller.

4.2.6.2. Buyer’s view of their readiness to adapt to the seller

The buyer’s statements clearly show that in this specific case they were not prepared to adapt their buying process to the seller’s selling process:

"No. [...] it was nothing that was considered." (Buyer, interview WS310047-49)

"[...] you don’t let the other party dictate the process. That you just don’t do." (Buyer, interview WS310053-54)

"No." (Buyer, interview WS310058-59)

"No. Quite certainly, no. It is unimaginable." (Buyer, interview WS310062-63)

Their justifications for not adapting in this case: reasons for why the buying company was not prepared to adapt their process include: superior size of company and market power, exchangeability, complexity with regards to sub-processes, and project size.

In comparison to the seller, the difference in company size made it redundant for the buyer to consider adaptation in their opinion. The buyer considered the seller easily exchangeable as vendor, and therefore regarded that they had more market power than the seller.

"Already due to the size of the company β it was nothing that was considered. [...] It is always like that when the market power is different, i.e. the size of the company clearly plays a role. [...] As long as it [the solution] is exchangeable with regards to other vendors, which are willing to adapt
In other words, as the ‘stronger’ party of two, the buyer did not consider it necessary for them to adapt.

“[…] It is about who is stronger. […] If you are the strongest, you set the rules of the game, and you may accept certain conditions, but you don’t let the other party dictate the process. That you just don’t do.” (Buyer, interview WS310053-54)

Additionally, even if size per se is not the deciding factor with regard to who adapts to whom, a large organisation has more subprocesses and people connected to the buying process than a small company has.

“The reason for that is that all processes in a large company like that are developed with a lot of effort, a lot of departments and people are involved. [...] To adapt it dynamically according to a small supplier is not really possible […], this project was too small for that.” (Buyer, interview WS310062-63)

Rather than focusing on the size of project as such, the buyer refers to ROI. Since costs for adaptation are high, adaptation of their buying process requires that the project be of a certain monetary value to enable a positive ROI. Furthermore, unless there is a possibility for a positive ROI, the cost for adaptation is difficult to justify.

**General guidelines:** in addition to describing the situation and their reasoning behind this specific case, the buyer also provided information on how they operate in general. Based on this information, the buyer is usually not the party that adapts to sellers. Provided that the buyer has the stronger market position, they will usually not adapt.

“When it is a small or medium sized company, it happens that β dictates how the process goes. Either you work according to the process, or then you have little chances to advance in the buying process. [...] Market position [instead of size of company], I think is the most important. [...] As long as it (the solution) is exchangeable with regards to other vendors, which are willing to adapt and able to deliver, I think that no adaption [by β] would occur.” (Buyer, interview WS310047-49)

The reasons and justification for why the buyer is hesitant or reluctant to adapt include there being a learning process involved in adapting ones processes:

“[…] The organisation that has to adapt, regardless on which side it has to do things in a different way. New things, which have not yet become routine, always cause difficulties in the beginning and that usually shows. [...] There is a learning curve. [...] That is why β pushes to using the standard process that is available.” (Buyer, interview WS310047-49)

Furthermore, the buyer wants to remain independent, especially if they are in a buyer’s market:

“[…] As potential buyer we want to have our freedom. Yes, that is simply what we expect. We are here in a buyer’s market and […] we say ‘we set the rules of the game’. If you don’t want to play along, then go somewhere else. It is simply a power game and demonstration. […] If you are the strongest, you set the rules of the game, and you may accept certain conditions, but you don’t let the other party dictate the process. That you just don’t do.” (Buyer, interview WS310053-54)

**Exceptional circumstances when the buyer adapts:** even if the buyer does not generally adapt, there are exceptions. Exceptional situations where adaptation may occur include the seller having the stronger market position of the two parties:
"If you were a small company that is the leader in the market in which you operate and \( \beta \) absolutely needs it [the solution], then \( \beta \) would adapt [to the seller]." (Buyer, interview WS310047-49)

However, even if the seller has the stronger market position, the buyer will still not let the seller dictate the process:

“Yes, absolutely [we could adapt to the seller]. [...] It is about who is stronger. [...] If you are the strongest, you set the rules of the game, and you may accept certain conditions, but you don’t let the other party dictate the process.” (Buyer, interview WS310053-54)

Furthermore, the buyer may adapt when entering a partnership agreement with the seller:

“In certain areas [...] you have to distance yourself from the traditional buyer-seller thinking or supplier-customer relationship, if you want to develop something together. [...] We used to do that before with these partnership agreements. Both parties had equal rights. [That is how it is] in strategic areas, where a lot of money is involved.” (Buyer, interview WS310058-59)

However, it is worth noting that instead of entering into partnerships with small suppliers, the buyer usually reserves partnership agreements for large supplier companies and especially for situations where the parties jointly develop a product or a service.

Another exceptional situation where the buyer adapts to the seller may arise if someone high up in the buyer’s organisation that has decision making power wants enter into co-operation with a certain supplier, especially if there is a time constraint included:

“Through a superior or the superior’s superior there is a possibility to deviate somewhat from the process, but there are processes for how things work. [...] To adapt it dynamically according to a small supplier is not really possible, except if our CEO [Chief Executive Officer] would say ‘I definitively want that [solution], but this project was too small for that. [...] The size [monetary value] of the project is important. [...] This has an effect on the purchasing process since the process can be made more flexible when higher levels of hierarchy are involved. Somewhat at a higher organisational level can say ‘this is so important for me so we do it like this’. In other words, the person issues a permit to make a bypassing process.” (Buyer, interview WS310062-63)

As stated by the buyer, a person at the buying company who has enough decision making power can issue a special permit and bypass the normal buying process. In such cases it may be that no detailed market screening is conducted and that no alternative suppliers are evaluated or considered. In extreme cases, the CEO or person with enough decision making power may even state which solution the organisation should purchase, after which a purchase order submission is fast-tracked and all other terms and conditions are negotiated later.

Size of organisation and ‘exchange game’: the size of a company does not only affect its negotiation power, but also has an effect on the matching of organisations and especially hierarchies between the organisations.

“The size of the supplier also plays a certain role. I mean, the CEO of \( \beta \) would not specifically meet with the CEO of \( \alpha \) in order to go agree on the details playing a round of golf or over dinner, whereas this joker card is often utilised between companies of equal size or a size or two below that. The problem is that this exchange-play between levels of hierarchy only works to a certain level. When considering it hierarchically, that the CEO [of the vendor] is on the same level as the head of department or director, who can only make decisions within certain boundaries, and when bigger changes are needed you have to go higher up in the organisation [of \( \beta \)], the
exchange-play between levels is not applicable any more. [...] This is an unwritten rule, you could say.” (Buyer, interview WS310062-63)

The larger the difference in size between the companies, the less likely it is that top management between the companies will be involved in the seller-buyer interaction. Since it is the upper management who can issue special permission to bypass regular processes, the lack of their involvement in relationship initiation translates into the buyer following standard processes and displaying less flexibility.

Summarising the responses by the buyer allows us to conclude the following: the buyer does not categorically exclude adaptation; however, in order for the buyer to adapt, certain conditions should be met. Based on the buyer's response, factors that affect which of the parties should in the buyer's opinion adapt their process include: market power, size or value of the purchase or project (deal size), strategic importance of deal, and size of the companies involved.

**Market power or market position** refers to the position that the parties have in relation to the other party. In general, it can be assumed that the larger company has the stronger position (cf. Wilemon 1972; Dwyer & Walker 1981). However, there are exceptions to this assumption (cf. Leonidou 2005). As pointed out by the buyer, exchangeability plays an important role. If the solution is easily exchangeable, the buyer can choose from any number of vendors. In this case the buyer has the stronger market position. In case that the buyer wants to buy the solution and there is only one possible vendor, then the vendor has the stronger market position. Hence, instead of company size, exchangeability becomes the deciding factor for strength of market position.

**Size or value of project** refers to the monetary value of the project. The reason why this factor is important is that if the monetary investment that the buyer has to make is low, higher levels of management are less likely to participate in the decision-making and be directly involved in the deal. Each level in the organisation can make decisions concerning investments and purchases up to a certain level. In the event that the investment needed exceeds the approvals of the person(s) level engaged in the negotiations, the next level in the organisation must be alerted and included in the negotiations. Likewise, the level of flexibility in the lower levels of an organisation is lower than in the higher levels. For example a manager has less scope than a director to diverge from protocol and standard processes.

The **strategic importance** of a deal or project for the buyer is often related to the expected upside, i.e. the expected return. In the case of revenue-generating solutions, i.e. solutions that are acquired in order to directly or indirectly generate sales revenue, it is the expected level of sales revenue that is the deciding factor. In the case of cost-saving solutions, it is often the amount that can be saved through the solution that makes a project strategic – the higher the saving, the more important the project becomes.

**Prestige** objects or projects have a somewhat different role in decision-making. In mobile telecommunications, a prime example of a prestige object is the iPhone manufactured by Apple. Mobile operators across Europe had to compete with each other in order to have iPhone in their product portfolio. In this case, Apple set the rules of the ‘game’, and the buyers had to adapt to the situation. Nevertheless, even in this rare case, the buyers did not have to completely adapt their buying process to the seller’s sales process, but rather had to increase their levels of flexibility in their buying process.
The size of company has an effect on how likely it is that the buyer would adapt their buying process to the sales process, however the effect is indirect. If the seller is a small company and the buyer a large one, then higher levels of management at the buyer will seldom become involved in the negotiations. Projects that are considered to be small by large buying companies may be considered large by the CEO of a smaller company. Since CEOs do not generally participate in negotiations regarding small projects, the CEO of a small seller is not likely to negotiate with the CEO of a large buyer. Hence, the decision-making flexibility that personnel in higher positions are empowered with will not reach as far down as projects that the buyer negotiates with smaller companies. This means that in cases where they are dealing with smaller vendors, the buying team will by choice have more limited possibilities to be flexible and to adapt their buying process to the sales process.

In the specific case studied the buyer had the stronger market position. The size of the project was considerable for the seller but not large enough to attract the attention of the upper management at the buying company. During the negotiations, the buyer did not consider the strategic importance of the project to be major. Additionally, the seller was a small company, whereas the buyer was a very large company. Based on the criteria above, the buyer did not feel the need to adapt their buying process to the sales process, nor did they do so.

4.2.6.3. Summary and analysis regarding buyer’s readiness to adapt

Although the buyer was not prepared to adapt to their buying process to the seller’s buying process, they do not categorically refuse to adapt in all cases. However, in most cases the buyer does not adapt, and even in the cases where they do, they would prefer not to.

According to the seller, the buyer cannot be expected to adapt, at least not to a small vendor. Reasons for this include the large size of the buyer, which not only gives negotiation power and a stronger market position, but also forces the buyer to follow rigid processes in part due to the vast network of sub-processes that are attached to them. Even if the buyer would like to adapt their buying process, the complexity involved would require a lot of resources and time. However, the seller pointed out that should the buyer have been somewhat more flexible, the relationship initiation could have progressed faster. In other words, instead of actually requesting that the buyer adapt, the seller rather mentions that if the buyer would not have tried to follow their buying process so meticulously, this may have speeded up relationship initiation.

Reasons for not adapting as presented by the buyer include: size of company, market position, exchangeability of solution and vendor, complexity involved due to large amount of sub-processes and people, and the size of the project. As long as the buyer is the ‘stronger’ (dominant) party, generally they will not conduct any adaptation. The rare exceptions where a buyer might adapt include: the seller having a stronger market position, an executive at the buyer granting permission to bypass the normal buying process, or that the buyer is purchasing something of strategic or prestige value.

In brief, if the buyer can avoid adapting their buying process, they will do so. In most cases, it is the seller who has to adapt to the buyer. Hence, one can conclude that in order to enhance relationship initiation, the seller should always be prepared to adapt their sales process, even in cases where they are the ‘stronger’ party.
4.2.7. **Conclusion regarding sales process adaptation**

In order to find out how the sales process could become more relationship oriented, in the following section, I focus on exploring the adaptation of the sales and buying processes. First, I examined how the seller takes the buyer into consideration. Second, how the sales and buying processes take the buyer and the seller into consideration were studied. Third, I examined sales process adaptation and the advantages that this can lead to. Fourth, the buyer’s readiness to adapt to the seller was explored.

When considering the empirical data collected, it became evident that the seller does take the buyer into consideration, sometimes even too much. However, in my view, due to lack of planning and proper management of the team, the seller did not know how and when to take the buyer into consideration in the sales process and during relationship initiation. Eventually, would have required more resources and in turn would have led to higher costs for both parties, not to mention an increase in frustration and dissatisfaction. One can conclude that, the seller, buyer, and relationship initiation would all benefit from better planning and proper attention by the management.

Due to the lack of a formalised sales process and the reactive approach of the seller, sales work was largely conducted in response to the buyer’s requirements. The seller did not plan this, i.e. they did not knowingly and actively adapt to it, but rather the buyer’s buying process became the guideline for how sales were conducted. In order to be selected as a vendor, the seller simply did everything that the buyer requested. In other words, if the seller is lacking a formalised sales process, they may end up adopting an ad-hoc sales approach, and hence their sales work would implicitly become guided by the buying process.

At first, such ‘semi-automated’ adaptation may sound positive, but taking into account the buyer’s unwillingness to take the seller into consideration in their buying process, the deceptiveness of such ‘easy’ adaptation soon becomes evident. Since the seller did not (know how to) conduct sales work in a planned and structured manner, the buyer may have decided to take over, or rather end up taking the more active role in relationship initiation. The buyer either assumed or was implicitly handed the ‘lead role’ in relationship initiation. That some buyers prefer to keep the seller at arm’s length, and prefer that both parties meticulously follow their own buying process is understandable. If the buying process forms the ‘master’ process that guides relationship initiation, this enables the buyer to assume full control of the situation. Should the buyer, as in this case, not provide information regarding the buying process to the seller, this will require more resources and time than would otherwise have been necessary. This will inevitably increase the cost of relationship initiation between the parties; hence the seller should try to avoid falling into the trap of ‘semi-automated’ adaptation of their sales work where they simply follow the buyer.

Adapting to one buying process at a time is simple, but adapting to several buying processes simultaneously requires more planning and resources. Suddenly, ad-hoc adaptation of the sales work is not sufficient, but a more coherent plan and mechanism for adaptation are needed. In order for adaptation to occur not only on a person level (carried out by members of the team) but also on process level, an adaptable sales process that guides the salesperson as well as the sales team would appear to be needed.
Advantages of adaptation of the seller’s sales process to the buyer’s buying process seem to outweigh possible disadvantages. The adaptation of the sales process could be regarded as a facilitator and strategic approach that enables the parties both separately and jointly to progress in relationship initiation in a mutually beneficial manner. Instead of acting in a selfish manner and chasing possible short-term gains, both parties seem to prefer adaptation. However, it seems that the party who is expected to adapt to the other is the seller. As was shown in this case, the buyer may prefer to avoid adapting their buying process, which means that the seller should be prepared to adapt their sales process, regardless who the ‘stronger’ (dominant) party is.

All in all, this section underlines the importance of sales adaptation, not only on a personal but foremost on a process level to match the buyer’s buying process. Instead of unplanned and reactive individual adaptation where the salespersons and other members of the sales team individually adapt to the situation, in order to cater for the buyer’s needs and requirements, the seller would benefit from conducting planned adaptation. Planned adaptation in this context refers to the seller adopting a co-ordinated approach on sales team and sales force level, where they actively adapt their sales process to the buyer’s buying process. This kind of adaptation could form a strategic approach to guide the sales function and the way in which sales work is conducted. Optimally, such an approach would permeate the whole sales organisation all the way from the management level down to the way in which sales is conducted on an individual salesperson level.

4.3. Combining the sales and buying processes

In the previous section adaptation of the sales and buying processes were studied. The outcome of the analysis was the understanding that the seller does take the buyer very much into consideration, sometimes even too much. This occurs partly due to the lack of an applicable sales process. Hence, the seller should focus more on planning their adaptation, including planned adaptation on a process level. Contrary to the seller (except perhaps in situations where the seller has stronger market position than the buyer), neither the buyer nor the buying process usually takes the seller into consideration. In general, adaptation remains the seller’s responsibility. The advantages of adaptation clearly outweigh the possible disadvantages for the seller, buyer and relationship initiation. In order for the sales process to be easily adaptable to the buyer in various settings and contexts, the process should have in-built flexibility.

In order to discover how a framework for relationship orientation through strategic adaptation of the sales process could be developed, In this section, I explore the possibility of combining or integrating the sales and buying processes to form a single relationship initiation process. 'Combine' as used in this context refers to a tighter form of integration than adaptation. First, I study relationship orientation in the sales process. This is conducted by interviewing the members of the selling team. Second, through interviewing the buyer, I study relationship orientation in the buying process. Third, both the seller and buyer are interviewed in order to explore the possibility of combining and replacing the discrete sales and buying processes.

4.3.1. Relationship orientation in the sales process

In this section, the seller’s viewpoint regarding the relationship orientation of the sales process is explored.
On the seller’s side there is a common view that having a good relationship and pursuing a long-term relationship with the customer are important:

“Yes we definitely had thoughts about that [being customer-oriented]. There was a lot of discussion about that. It was because of this that we perceived it important to have a local representation, to be able to be close to the customer.” (Seller, interview WS310031-33)

“I think that we were working towards having relationship with the customer. After all, it was our idea at α to create a long-term relationship with the customer.” (Seller, interview WS310041-42)

“I don’t see it only applying to the case with β, but rather it is like this in all companies – if you only focus on the business and not the relation, then I don’t think that you will survive for very long.” (Seller, interview WS310041-42)

Inspite of the above, relationship orientation was not described or included in the sales process in any way:

“No. All soft values that are related to building trust and relationships, this was not described in any way. I can state that these are very important, and it is here that we arrive at each salesperson’s ability to see the importance of that and ability to accomplish that. It is extremely important. That is what distinguishes a good salesperson from a bad one.” (Seller, interview WS310025-27)

“[…] I don’t think that this has even been on our agenda as a factor that is regarded important. […] They [the company management] never presented this idea of setting up a strategy for this […] i.e. to have a process approach regarding this, or to have any kind of formalised idea to do this and how to do this. It is my firm opinion that this did not exist.” (Seller, interview WS310035-36)

“No it [the sales process] didn’t do that [describe the relationship initiation], rather it was basically just ‘door-knocking’. […] It was not at all documented.” (Seller, interview WS310038)

Instead of providing instructions for how to operationalise relationship orientation, it was up to each individual to decide how to proceed:

“[…] It is here that we arrive at each salesperson’s ability to see the importance of that and ability to accomplish that. It is extremely important. That is what distinguishes a good salesperson from a bad one.” (Seller, interview WS310025-27)

“It was left up to each of us to take care of [relationship building on a personal level], […] That [to support or motivate the members of our sales team to build customer relationships] is something that they [our management] sometimes in very broad terms did by saying ‘see to it that the customer is happy’, period. […] It [to build a customer relationship] was really solely up to each of us, full stop.” (Seller, interview WS310035-36)

“[…] It was basically just ‘door-knocking’. It was just making phone calls and try to navigate in the [customer’s] organisation with the help of contacts etc. […]” (Seller, interview WS310038)

The discrepancy between the management’s view and the rest of the team’s opinion regarding the importance of relationship orientation and the fact that the concept was not described or communicated in the company infers that if relationship orientation actually was a strategic goal, the operationalisation of it was not successful. Since relationship orientation has not permeated the whole organisation to the extent where it would be visible on all levels and in processes, this points towards unsuccessful management of the company. In fact, a statement by the President reveals that in the end the seller was more interested in reaching its own goals rather than in a win-win situation:
“We apparently, however understood how to proceed because we succeeded in getting many operators to sign [...].” (Seller, interview WS310038)

The seller’s responses reveal possible reasons for why relationship orientation is not prevailing in sales. As stated by the VP of sales, not all salespersons have the ability to build trust, meaning that the buyer may ‘see through’ the seller and feel that the salesperson is acting in his or her own interest.

“Some salespersons have the ability to build trust and relationships, whereas others don’t. Then it becomes just a sales relationship... and there is a distance – you [as a buyer] don’t trust the seller because the buyer thinks ‘oh no, you are a seller, you are trying to cheat me’.” (Seller, interview WS310025-27)

The Product manager points out that in comparison to technical persons, salespersons are more likely to pursue their personal interests rather than the company’s or a mutual interest between the seller and the buyer. A reason for this is remuneration; unlike technical persons, salespersons receive sales commissions on what they sell. In the case studied, technical personnel received a salary and possibly a bonus on overall company performance, but in the case of salespersons, they received a base salary plus a commission on the sales revenue that he or she generated.

“[…] I think that it is different on different levels. […] I think that it is easier to develop relationships on a technical level, compared to building relationships on a sales level. I believe this because on the technical level you lack the personal interest in it – you represent the company, whereas the buyer may think that the salesperson represents more him or her self simultaneously as they represent the company. […] Fact is, that salespersons get their commissions on what they sell, whereas technical persons don’t get that. That is the big difference and a factor, which I think affects the relationship [initiation]. [...] In general, I think that a salesperson wants to arrive faster to a closure, and the whole idea is drive towards a closure, and perhaps one oversees things like personal relations. I think that it is more shallow [for sellers]” (Seller, interview WS310041-42)

Remuneration principles can have a great influence on whether or not relationship orientation is adopted. Another factor that is linked to the remuneration factor and how this affects relationship orientation is the nature of the business being made. If the customer is likely to make repeat purchases on a regular basis, and the customer account will be managed by the same salesperson, this can further a relationship-oriented approach. If, however it is unclear if the buyer will make a repeat purchase and uncertain that the same salesperson will continue to manage the customer account once signed, this can deter the salespersons from adopting a relationship-oriented approach.

In the case of the company α that I researched, the market was new (or did not yet exist) and in order to capitalise as much and fast as possible on the market, the seller urged its salespersons to propose as large as possible deals to potential customers. Even if the seller was aware that the uptake of the service in question would be slow in the beginning, annual license fees or batches of licenses (that were estimated to last for one year) were offered to the buyer on upfront payment terms. Likewise, support and maintenance fees were offered on annual basis, with the payment preferably upfront. The reason for this is simple - the seller and salespersons knew that within the next twelve months hardly any additional sales revenue would be generated from the customer account. For the salesperson, this means that prior to any possible repeat purchase by the customer, no additional sales commissions could be expected. Because of this, the salespersons feel no benefit from relationship orientation.
To summarise, developing long-term co-operation in general with customers is considered to be important. However, due to the lack of management skills and attention, a co-ordinated and formalised way of conducting sales in a relationship-oriented manner was never developed or introduced. In the case studied, how sales work was conducted and whether or not relationship orientation is visible was left for each person to decide because of the lack of upper-managerial interest. For a ‘money driven’ salesperson, the commission structure and the freedom enjoyed enabled them to maximise their personal remuneration through adopting a more transactional rather than relationship approach. This may lead to significant short-term gains on a personal level, but hardly encourages commitment towards the relationship with the customer. Uncertainty caused by the market being new, combined with the sales management’s inability to operationalise the company’s preference for a long-term relationship with the customer inhibited the relationship orientation of the seller. In order to encourage a long-term focus in selling, the seller should perhaps adopt a relationship-oriented view of relationship initiation, i.e. to look beyond possible short-term gains and focus on sustainability. To support this focus, new reward principles for employees would be needed. Optimally, the reward system would motivate and guide the sales force towards long-term co-operation with the buyer. This could require modification of commission structure for salespeople.

4.3.2. Relationship orientation in the buying process

In this section, the buyer’s view regarding relationship orientation of the buying process is studied.

Based on the responses by the members of the buying team, relationship orientation in buying has undergone a change from previously having been regarded as unimportant, to having become an integral part of how the buyer operates. During the time when the relationship with seller \( \alpha \) was initiated, relationship orientation was not in any way described in the buying process, it was more or less based on ‘gut feeling’.

“If you ask me if it was measured back then, I have to say ‘no’ it was not. Back then it was much more based on ‘gut feeling’.” (Buyer, interview WS310047-49)

The purchasing process was made entirely from the buyer’s perspective and no support regarding how to initiate or develop a relationship with the seller was provided. Basically, according to the Product and proposition manager, the understanding was that the buyer expects that the seller will provide them with a good solution at an attractive price and in return, provided that the market uptake is interesting for the buyer, the buyer offers the seller long-term co-operation.

“As far as I know, it [our purchasing process] is restricted to that [things are only viewed from our perspective]. As far I know, there is no chart in which is stated how relationship management with suppliers should be conducted. It is simply ‘lived’... [We are striving for a] win-win situation, [...] it is give-and-take. We expect a good [low] price, and we offer long-term co-operation.” [...] “That is how it is ‘lived’. Additionally, how you behave to one another, i.e. open and honest. I don’t know if that is fixed somehow in writing, it is perhaps rather an unwritten rule.” (Buyer, interview WS310053-54)

In this case however, the buyer signed a one-year contract with the seller, and after this time had elapsed, a new vendor screening and selection may be initiated. Furthermore, the buyer can at his or her own discretion decide for a dual or multi-vendor strategy.
Product manager 2 points out that the purchasing process was practically forced upon the seller. The buyer had little intention or interest to divert from the buying process, so if the seller wanted to enter a business agreement with the buyer, they had to comply with the buyer’s requirements and process.

“I have often said that the purchasing process is forcing the seller. I think that this was definitely the case with α.” (Buyer, interview W8300062-63)

The Purchasing manager is familiar with purchasing processes that describes relationship initiation with the vendor. However, such formalised processes were not adopted at β; something that the Purchasing manager had reflected upon.

“There are processes, which describe how vendor relationships are developed. If you ask for a formalised purchasing process [where relationship initiation is described], I have to say that I am not aware of such. A strategic approach (for this) was something that I was always lacking at β.”

(Buyer, interview W83100058-59)

According to Product manager 2, a relationship focus was not something that was formalised or considered strategic, and this occurred purely on an individual or personal level rather than at company-wide or process level.

“I don’t know if it [relationship building] is strategic […] It is a personal matter. […] It is an interpersonal relationship between the seller and the buyer.” (Buyer, interview W83100062-63)

The strategic importance of the purchase affects relationship orientation. Product manager 1 states that if the purchase can easily be substituted with a solution from another vendor, the purchase is seldom regarded strategic. However, when the buyer is purchasing something that requires mutual planning, and something that the buyer will probably work with for a longer period of time, the purchase is likely to be regarded as strategic.

“When you are in a mixed market where there are a lot of alternatives, I believe that it [relationship to the vendor] does not play an important role, because then the product can easily be substituted.” and “[When you aim for] a long-term relationship with many releases [of the solution] in a market that is new, then this ‘soft area’ [refers to relationship-thinking] is much more important.” (Buyer, interview W83100047-49)

The Purchasing manager adds that entering a relationship with the seller is an investment that requires time and other resources, which is why the buyer has to be selective regarding whom they enter into a relationship with.

“Every company considers, especially regarding products, if that product that I am buying is of strategic importance.” and “[When the supplier is considered strategic] then you give more weight to it [relationship building] than otherwise. In my view, you don’t sign a partnership agreement with every one. First, it requires a lot of money and time, and you really do that when it makes sense.” (Buyer, interview W83100058-59)

Entering into relationship with the wrong partner can be costly, and this is why it can be advisable to pursue a relationship with a vendor of a strategic solution already in the early stages in the buying process. The sooner the buyer can qualify the seller the better. Product manager 1 points out that if problems between the parties arise and they can be identified and remedied already at an early stage of the process, e.g. even by rejecting the seller, this may save on costs in the long run.

“If you are not convinced, it creates problems, i.e. then you have a problem already in the beginning and that will cause much more problems down the road.” (Buyer, interview W83100047-49)
Relationship orientation and its significance for the buyer has undergone considerable changes since the beginning of the relationship initiation between the buyer and seller in the case studied. The Product and proposition manager revealed that the buyer had previously relied more on their ‘gut feeling’, whereas today the buyer conducts vendor management. Not only a change in mental perception has occurred, but also a change in processes. Today the buyer uses sophisticated and complex tools for evaluating the vendors, including evaluation of the relationship between the parties. For each vendor there is a vendor manager at the buyer, and the vendor manager is responsible for the relationship that the buyer has with the vendor. The goal of this set up is an effective, mutually beneficial and rewarding relationship.

“Yes, it [vendor relationship] is discussed. [...] It is discussed, and it also affects the buyer’s view of the vendor. [...] Today that is all measured. If you ask me if it was measured back then, I have to say ‘no’ it was not. Back then it was much more based on ‘gut feeling’. Today we have complex tools; I mean really complex tools, which we use in order to give scorecards in every sub-area. Not only values as volume, selection rate, and amount entered, but also for every sub-area there is measurement, even for relationship. There are such things as reliability, personal support, and so forth, many points that lead to a score. All that is then gathered. Also themes that do not directly relate to the product are discussed, it is really about relationship management. Today, regardless of the area, we have a vendor manager. Every vendor manager takes care of his supplier. Real supplier relationship management is being conducted. As stated, the goal should always be a win-win situation.” (Buyer, interview WS310053-54)

The responses by the buyer show that at the time when the relationship with seller α was initiated, they did not follow a co-ordinated relationship-oriented approach. The buying process only took the buyer’s interests into consideration and the process was practically forced upon the seller. The buyer entered into a one-year agreement with the seller, which can hardly be regarded co-operation with a long-term relationship focus. Additionally, due possibly to the fact that the market was new, the solution was not at first regarded as being strategic. Hence, although the buyer officially offered the seller a partnership, the offer seemed to have been made in order to negotiate favourable terms and conditions for the buyer rather than to commit to a long-term co-operation. This has since changed and today the buyer follows a more strategic and relationship-oriented approach including vendor management. The goal is to arrive at a win-win situation where both parties feel motivated and are rewarded accordingly. This clearly shows that the buyer has adopted a more relationship-oriented approach and that this is also reflected in their buying process.

4.3.3. Combining the sales and buying processes into a relationship initiation process

In this section, the combination of the sales and buying processes into a mutual relationship initiation process is explored. Firstly, the seller’s view regarding the combination of the processes into one mutual process is studied. The aim is not only to see whether combining the processes would be possible, but also to understand what challenges attached would be experienced in the attempt. Secondly, the buyer’s view of combining the processes into one is studied.

4.3.3.1. Seller’s view regarding a mutual relationship initiation process

Although according to the members of the selling team, combining the sales and buying processes into a mutual process seems appealing, this does not seem applicable as such. They state that combining the processes remains more of a thought or concept, which in reality could prove difficult to realise.
The VP of sales finds the thought both interesting and appealing – an idea that he has not even considered before. He stated that sellers in smaller companies try to be as open as possible to the buyer’s demands, since it is the buyer’s process that is followed all the way up to signing of the contract.

“It is an interesting thought, because as a seller you very rarely discuss the buying process [with the buyer]. You discuss a lot, however the delivery process that comes after (the sales process). [...] I have never experienced that one would present ‘this is how our sales process looks like’, or that ‘this is how it works’. [...] Sellers, especially in smaller companies, try to be completely open to the buyer’s process. Up to the contract, it is in fact the buyer who sets the rules and the framework.” (Seller, interview WS310025-27)

The Chairman is sceptical towards the idea and maintained that rather than combining the processes, adaptation remains the responsibility of the seller. Large buyers set the rules and adaptation occurs semi-automatically on the seller’s side. For a small seller, there is no other way to operate apart from adapting to a large buyer.

“Maybe. [...] I believe that it happens semi-automatically, because these large customers they have their buying models and buying processes, and as a small player you have to adapt from one customer to the other one. You have to set up your account and sales process to fit that customer. That has to be done case by case. If you want enter and to sell to them, I don’t think that you have a choice.” (Seller, interview WS310031-33)

What the Chairman refers to here is that even in cases where the seller does not plan to adapt their sales process, adaptation virtually becomes an obligation in the situation (i.e. due to the seller’s demands).

According to the Sales engineer, it is unlikely that the buyer would agree to combine processes:

“[...] To get an operator or a large enterprise to consider a mutual process sounds nice, but I have difficulties seeing that happen [...].” (Seller, interview WS310035-36)

Hence, developing a mutual process does not seem feasible or realistic, at least not when the market position of the two parties is considerably different.

**Advantages and disadvantages** related to the combination of the processes into one were identified and presented. The President pointed out that combining the processes would *improve the understanding between the parties* and hence the relationship. Additionally, as stated by the Sales engineer, there could be considerable advantages related to resource allocation.

“[...] The advantage is obvious. Just think of being able to have material, meetings, discussion and questions prepared in a way that you don’t, as often is the case is for a vendor, end up sitting and writing the documents over again [...]. Not having to go through the steps that are sometimes extremely exhausting. That would be a clear advantage. And to be able to plan trips and resources and simply when, where and how people work. I am convinced that it would bring considerable advantages [...].” (Seller, interview WS310035-36)

The most important advantage was seen to be that *the parties could reach closure much faster.*

“The biggest advantage is that one should arrive quicker to a closure - get the customer signed up sooner.” (Seller, interview WS310041-42)

A disadvantage might be that *the process becomes too cumbersome*, which could become a hinderance to applying and following it.
"I think that a disadvantage could be as in all processes and especially those that are supposed to be large and cover a lot that [...] in order to fulfil everyone's requirements they become so incredibly heavy that eventually nobody will use them." (Seller, interview WS310035-36)

A possible further disadvantage could be that the relationship could become inefficient and would thus hurt the competitiveness of the outcome (i.e. the service) of the cooperation.

"Advantages include that both parties better understand where the other one is coming from in order to avoid pitfalls and to avoid spending time, energy and resources on unnecessary things. A possible disadvantage is that it could become 'too cosy' and not at an arm's length distance, not competitive enough." (Seller, interview WS310038)

Based on the statements collected, it seems that the seller is not only aware of the advantages, but they are also able to adopt the buyer's perspective and even regard the combination of processes rather objectively. Through more efficient resource planning and a shorter sales cycle, combination would mostly benefit the seller. On the other hand, the combined process could theoretically become too complex and cumbersome, which would be a disadvantage for both parties. Additionally, there is a risk that the cooperation between the parties might become 'too cosy', which could result in the seller not feeling the need (pressure) to perform outstandingly and provide the buyer with high-quality products or services. This kind of an overly comfortable relationship between the seller and buyer can have negative effects on the solution that is being offered to the buyer's customers; this can have negative effects on the buyer's competitive situation on the markets. Hence, becoming 'too cosy' is a situation that could be disadvantageous, especially for the buyer.

**Challenges** related to the combination of the processes include: barriers related to cultural differences, buyer's unwillingness to communicate their process to the seller, and differences between salespersons.

The Sales engineer points out that cultural differences and aspects can form barriers that can make the creation of a common process impossible. Hence, developing a mutual process does not seem feasible or realistic in this case.

"[...] To get an operator or a large enterprise to consider a mutual process sounds nice, but I have difficulties seeing that happen [...] because of the simple reason that it will be very different between countries and the people that are sometimes involved. [...] How a 'yes' or a 'no' is understood in some countries, or if one like in Japan is not even allowed to say 'no'. I think that it would be very complicated. I believe that it would become a very magnificent, utopian and nice process, but I think that it would be difficult to make it convincing." (Seller, interview WS310035-36)

Because already adapting the sales process to the buying process is difficult due to the **buyer's unwillingness to communicate their buying process** and what it looks like, combining the processes into one could prove even more difficult. Due to the fact that there are differences between the buyers regarding their willingness to communicate their buying processes, a case-by-case approach is needed.

"Then again, one can ask 'how does their process look like'. All too often, customers are not open regarding how their process looks like. If they discuss their buying process, it is in general at the end of the process, i.e. once you have already been selected." and "[...] some organisations are open about their processes, whereas other do not say a word. They don't want to comment anything on how it progresses, especially when they are facing a new relationship. In the case of [...] How that (relationship initiation process) went, I actually don't know." (Seller, interview WS310025-27)
In addition to differences between buyers, there are also differences between salespersons, as pointed out by the VP of sales. Some are better than others at identifying the situation in which they are. Some salespersons are able to find out how the buying process looks like and even to combine processes:

“These are typical ‘soft’ factors that good salespersons focus more on, I think. Sometimes you are not even in a buying process, even though a not so good a salesperson has not even understood that. [...] One thinks that one has done a good job, sending demos and having worked with the person, and has succeeded in building a fairly good relationship to the person (at the buyer). If one still doesn’t have the ability to in an early phase to ask ‘is this going to lead to something’ (one can not know where one stands)? It is regrettable that these are a bit difficult questions to ask.” (Seller, interview WS310025-27)

Not all salespersons feel comfortable asking the buyer if they are prepared to place a purchase, and this can prolong the sales and whole relationship initiation process. For this type of non-confrontational salesperson it may be difficult to propose the combination of processes to a buyer. However, focusing on the buying process instead of on selling/purchasing could be a way for a salesperson to get around this hurdle.

Alternative approaches to combining the processes were presented. Instead of combining the processes, the Sales engineer regarded it as much more feasible to adapt the sales process to the buying process instead. He proposed the development of a dynamic sales process that adapts to the buying process.

“In theory, of course. It is possible to make processes for everything. [...] If you mean that it would be possible to set up a process from our perspective as vendors that somehow adapts itself dynamically and has generic steps and says that this thing has to match to that part of the buying process, then you have to identify their buying process where the next phase comes. I think that is more doable because then it is you (who) have the interest to do it and you match it against something that exists at a certain type of a customer.” (Seller, interview WS310035-36)

According to the Product manager, process combination could be possible, but in common with the Sales engineer who proposed the dynamic sales process, he points out that one process would not fit all situations. Hence, he proposed a set of processes or a portfolio of sales processes that could be used for various situations and buyers.

“Yes, I think that could be possible, but having said that, it is rather difficult to define a model that would fit all. [...] I think that it would require several processes, which are used depending on which customer one deals with.” (Seller, interview WS310041-42)

The President is of the opinion that combination is possible, but like the Product manager who proposed a portfolio of processes, he states that processes combination is something that could occur in a partnership-like situation where the parties involved are pursuing a long-term relationship.

“That would be possible, definitely. [...] It could have been done – document the process from both parties’ decision points. [...] I know other companies and relationships where a lot of weight has bee placed on those types of questions. That occurs when one enters a partnership type of relationship. [...] My response is ‘yes’, but then one has entered a different type of relationship, one that has a longer duration, not just a one-shot, but a relationship where there is a mutual dependency.” (Seller, interview WS310038)

According to the Product manager, in addition to having a portfolio of processes, the seller could have separately adapted processes for each customer. However, one should bear in mind that when it comes to processes and their applicability, not all customers are alike:
"I think that processes are more or less applicable depending on which operator you are talking to." (Seller, interview WS310041-42)

The challenge is to know which process to apply in which situation. The Product manager points out that the salesperson has a responsibility to help the seller choose the appropriate process per buyer.

"The difficulty here is to know which process should be used to which customer and above all, how you find out this. [...] I believe that the account manager or the salesperson has a great responsibility in finding out what this customer requires from us in order to arrive at a closure." (Seller, interview WS310041-42)

Regarding the responses made by members of the selling team, it became clear that the seller would prefer to have a joint process with the buyer, but that they simultaneously recognise the challenges and difficulties related to realising this. The seller recognises that for a small seller it will be almost impossible to persuade a large buyer to alter their process (with the main reason given being that the buyer’s sub-processes are attached to the buying process). Additionally, the seller’s statements show that the seller is expected to adapt to the buyer’s requests. Hence, either a dynamic sales process that can be adapted according to the situation or a portfolio of sales processes for various situations could be developed.

4.3.3.2. Buyer's view regarding the combination of the sales and buying processes

According to the buyer, the sales and the buying processes cannot by default be combined into one process that would replace them both:

"In my view, the answer [to your question] seems rather easy. I don't think that it would be possible [...]." (Buyer, interview WS310047-49)

Instead of referring to the integration of the buying and selling processes, 'combination' as used by the Product and proposition manager refers to the adaptation of processes. Hence, this person was stating that the adaptation of processes is possible, but not by replacing them with a joint process. Optimally, the buying process would form the 'master' process to which the seller would adapt

"Combine yes, but not replace. You have to serve the [buying] process. [...] No, you cannot replace the processes." (Buyer, interview WS310053-54)

Explanations and reasons for why process combination is not likely include the challenges and difficulties related to complexity, company size, negotiation power and the fear of letting the seller too close.

According to Product manager 1, in large firms the buying process is tied to so many sub-processes and so many persons are directly or indirectly involved that even if it would be possible to define a mutual process, putting it into action would not be possible. The informant calls the situation 'complexity trap'.

"I don’t think that it would be possible, since looking at a large company – it seems that the buying process is quite straightforward, but they [the buying processes] form one result of many [underlying] processes from various directions [departments]. [...] How the buying process looks like, is the consolidation of these. [...] It is a consolidation of processes on one [the buyer’s] side, and on the other [the seller’s] side there is a similar process by the supplier. If they would be combined, one could of course define a mutual process [for relationship initiation]. That would however lead to that you would bring as feedback to the large enterprise that all sub processes, which rely on certain input or output, should also be adapted. I believe that it would be such an
immense task that it would not be possible, not even in theory. One would end up in a complexity trap. [...] Based on this background information, I think that it is possible to define [a mutual process], but it will become so complex that in reality it is not manageable.” (Buyer, interview WS310047-49)

The Product and procurement manager also mentioned both the complexity problem and the point of view that the mutual adaptation of processes is possible, but not by replacing them with a joint process.

“You have to serve the [buying] process. [...] No, you cannot replace the processes. You cannot replace them, because many people depend on them. You cannot always take 50 people on a 'boogie course'. You have to have your [buying] process [...].” (Buyer, interview WS310053-54)

Even if the 'complexity trap' problem could be solved, the buyer is not likely to replace their existing buying process. First, current organisations are not structured for easily replacing (or even altering) their processes, and additionally, the buyer (at least in this case) has adopted a product-oriented approach.

“Had we been able to implement it [replace buying and sales process with a mutual process], provided that there would be solutions for the complexity problem, the answer is clearly 'no', at least not at β. [...] I think that the reason for this is that we are working in a product-oriented way.” (Buyer, interview WS310047-49)

A further sign of product-orientation is that the Purchasing manager finds it difficult to adopt the seller’s perspective of the relationship initiation process:

“I have to say, when you think of it in detail, then from the perspective of the buyer it is always so that you in general have the process pretty well in your mind, but to suddenly view it from the seller's perspective, is something else, and I consider that quite difficult, to be honest.” (Buyer, interview WS310058-59)

The product focus largely depends on the product being used as basis for measuring success. Additionally, success of the product and the launch of the service form criteria for evaluation and remuneration of the buying team members.

“[...] The success of a company depends on what is sold well and what is being used. In this case, it is the product that is discussed. [...] At the end of the day, that is the basis for evaluation of success – both personal success and the success that the company has.” (Buyer, interview WS310047-49)

In other words, the buyer indicates that in order to arrive at a more relationship-oriented approach, the current product-oriented basis for evaluating success needs to be reconsidered.

Alternative situations where a mutual process could be applied were identified by the buyer and include: companies of a similar size, partnership-type co-operation, and strategic importance of the purchase.

As stated by Product manager 1, developing a combined process could work in a situation where the companies are of similar size, preferably smaller companies.

“[In case the companies are of similar and smaller size] then it can work. However, the problems [and challenges] that have to be overcome are not necessarily different, but could be possible to solve because the individuals who are involved in general have a broader area of responsibility.” (Buyer, interview WS310047-49)

However, he continued by saying that he had never seen a process being combined – one process had always adapted to other:
"I have not seen that it would had worked. One of the companies has always adapted to the other one, and then had to forcefully adapt its own themes to those of other areas [within the company]. It was always like that. However, due to the amount of participating decision-makers, the number of processes that are attached, and the complexity of the way companies operate, I think that it can rather work out for companies of the same size, and preferably smaller companies, than for larger companies." (Buyer, interview WS310047-49)

According to Product manager 2, combining the processes into one could be applicable in certain situations, perhaps when the parties are seeking to establish a partnership-type co-operation:

"That is the partnership-like co-operation." (Buyer, interview W310062-63)

The Purchasing manager pointed out that there are situations where closer co-operation is beneficial, but that one should be selective regarding the application of partnership-type of co-operation.

"You have to put aside the classic seller-buyer thinking and view it as a team that has a mutual goal. However, you don’t need to have such an extensive method for every project [...]" (Buyer, interview W310058-59)

Not all relationship initiation between the buyer and seller needs to become a partnership. However, in general where partnerships are formed and a project is initiated, the parties generally define a joint plan for the project.

"Well, [...] in project business you have a project plan, in which both parties (companies) are involved. Thereby you already have a process that is defined by both parties for both sides and to which the parties have agreed. That kind of a process should exist at that point." (Buyer, interview W310058-59)

In this case however, the Purchasing manager admits that such joint project planning never happened:

"I wonder if we had a one (process) back then, most likely not." (Buyer, interview WS310058-59)

Additionally, if a purchase has strategic importance for the buyer, decision makers from the organisation are involved, which enables a diversion from the standard buying process.

"[…] When the process is covered [i.e. supported] by a higher level [in the organisation], that makes it possible to simplify it [the process], then it [jointly forming a process] could work. Regarding an agreement on the same level where one party simply follows his/her [buying] process and the other one only sells his/her product, there decision making power of the buyer is not sufficient enough to make such decisions [to replace the processes], but others would have to be included [in the decision]." (Buyer, interview WS310062-63)

For non-strategic purchases, the standard buying process applies and usually members of the buying team cannot alter this. In fact, in this case a decision-maker was involved and the focus was to speed up the negotiations and service launch. However, instead of the diversion from the general buying process leading to a combined process, the result was chaos for the buyer because of the sub-processes attached to the general buying process.

Possible disadvantages included in engaging in a close co-operation with the seller include: the risk of inefficiency due to the relationship becoming 'too cosy', decrease in level of service, and overdependancy on the seller.
The Purchasing manager considered it to be difficult to decide when to engage into discussions regarding co-operation and at the same time keep the seller ‘hungry’. The buyer seems to think that there is a risk of that the relationship could become ‘too cosy’ and therefore prefers to keep the seller ‘at arm’s length’.

“The question is at what point do we sit down, where is the beginning? When do I say ‘I want to initiate a relationship, a supplier relationship with you’? [...] I can perhaps say ‘the relationship that we are going to develop will from our perspective look as follows. The reason for this is because, in the moment when I tell a supplier ‘we are developing it’, he will get the feeling ‘everything is clear, the deal is done’. [...] It is about how deeply and how early on you involve the supplier. [...] You have to consider what would change. What changes does it cause if I basically open up the processes in the beginning?’” (Buyer, interview WS310058-59)

Product manager 2 expressed the same opinions as the Purchasing manager and stated that too close co-operation with the seller could lead to a decrease in the level of service. Hence, the buyer prefers to keep the seller at a distance in order to ensure that the seller provides the best possible service.

“When a small vendor that absolutely wants to enter the market, you think ‘then let them jump some hurdles’, put quite bluntly. Then they can show us what they can. The same applies to large vendors. [...] Then they have to show that they can ‘run an extra lap’. [...] They have to make an extra round to make up for the disadvantage of being unknown [in the market and as a supplier to the buyer]. They have a hunger, but you also want to experience that hunger.” (Buyer, interview WS310062-63)

The buyer makes it on purpose more difficult than necessary for a new vendor to enter into a co-operation with them. This could indicate that it is also more unlikely for new (unknown) entrants in a market to enter into a partnership-type co-operation with the buyer than existing suppliers that the buyer already knows.

Additionally, Product manager 2 states that entering into a strategic relationship with a seller involves risks. When applying a single sourcing strategy and selecting only one vendor, this may affect the buyer’s negotiation position and power negatively. The buyer may find it increasingly difficult to negotiate favourable terms and conditions if they only have one vendor. In other words, the buyer will become increasingly dependent on the seller.

“When you make strategic decisions, it is a risk [...] to take a new vendors onboard and have them as lead supplier for the next five to ten years. Then it naturally would make sense and it can be applied, this partnership like approach. [...] It is a risk when I decide for only one vendor instead of a multi-vendor strategy, in which I can play them against each other [...]. It is a risk to rely on them and that I become dependent on them.” (Buyer, interview WS310062-63)

Due to the complexity of all the sub-processes and decision-makers that should be involved, instead of developing a combined process that replaces the two processes, separate processes that can be adapted would be preferrable. If targeting a combined process, the parties would have to conduct so much adjusting of their sub-processes that they may never arrive at the conclusion of the relationship initiation process.

“[As a conclusion, the parties will remain with separate processes] and will as far as possible try to adapt to each other, simply because the complexity is otherwise not manageable, one would never arrive at a buying-decision. Instead, the parties would continue adjusting and fine-tuning their (sub-) processes and not progress.” (Buyer, interview WS310047-49)

As stated by Product manager 1, although the definition of a joint process is possible in theory, in practise it would mainly be the seller who adapts to the buyer’s process. Hence, in order to be prepared for adaptation, the seller should be aware of which parts
of their sales process should be altered and how. Again, this requires that the seller is knowledgeable about the buying process.

“Yes, I could envision, even if it is not possible, to basically define a mutual process between the supplier and the customer. As in theory when a framework is developed for themes, which have to be fulfilled, the supplier could say ’ok’, we have our own process, but we know where we have to be flexible.” (Buyer, interview WS310047-49)

Referring to the complexity involved, Product manager 1 stated that even though he is in favour of the concept, the size of the organisation becomes a limiting factor. It is probably simpler for only smaller organisations to be flexible.

“I think that both sides would benefit from adopting this kind of thinking. The size of the organisation comes into play here. The larger an organisation is, the more difficult it gets, since due to the [larger number of] people and problem areas that have to be catered for, it would require even more flexibility in even more places. In a smaller organisation it would probably be much simpler to identify the theoretical [possible] break points and to include flexibility.” (Buyer, interview WS310047-49)

In summary, the buyer’s statements show that they are basically in favour of closer cooperation with the seller. However, at the same time the buyer wants to retain their independence and not become increasingly dependent on the seller. One of the main problems that prevents the buyer from adapting their buying process (not to mention combining their buying process with the seller’s sales process) is the fact that there are so many sub-processes attached to the buying process. Hence, as illustrated by response of the Product and procurement manager, it is not possible to discard the buying process:

“You have to serve the [buying] process. […] You have to have your [buying] process.” (Buyer, interview WS310053-54)

According to this person, the buying process should remain the ‘master’ process to which the seller adapts. Additionally, Product manager 1 regards it to be easier for the seller to adapt:

“I think that it [adaptation] is easier for the sales organisation […]” (Buyer, interview WS310047-49)

To encourage adaptation, the buyer suggests that the seller build flexibility into their sales process:

“[…] The supplier could say ’ok, we have our own process, but we know where we have to be flexible, because we know that potential customers have special needs of a generic character, which can sometimes be like this and sometimes like that’. […] And you could map (indicate) that already in advance, i.e. plan certain things (steps in the sales process) to be more flexible.” (Buyer, interview WS310047-49)

In other words, the buyer recommends that the seller develop and apply a flexible process that could function as a process template, which the seller could adapt on a case-by-case basis depending on the buyer’s needs.

4.3.3.3. Summary and analysis of sales and buying process combination

Although both the seller and the buyer are in favour of adaptation (by the seller) and both realise the advantages that this would result in, the data shows that advancing towards a tighter integration of the processes, i.e. combining the processes, meets with
resistance and scepticism. The seller would prefer to have a joint process with the buyer, but they simultaneously recognise the challenges and difficulties related to realising such a process. Likewise, the buyer is in favour of closer co-operation with the seller, provided that this does not diminish their independence of the seller. These buyer sub-processes attached to the buying process form the main obstacle to adaptation of the buying process, not to mention process combination. Additionally, the seller realises that as the seller they are expected to adapt to the buyer, not the other way around. Statements made by the buyer where they point out that the buying process should remain the ‘master’ process to which the seller adapts support this point of view.

Instead of defining and creating a joint process that would combine the sales and buying processes, both parties appear to be in favour of a dynamic and flexible sales process that could function as a template and that the seller can easily adapt to the buyer’s buying process and situation. Realising that no relationship initiation follows a standard, and that (to a certain extent) each initiation is unique, both parties emphasise the situational aspect. The buyer proposes adaptation of the template on a case-by-case basis. Alternatively, as pointed out by the seller, a portfolio of sales processes for various situations could be developed. In other words, the situation or context should always be taken into consideration. In addition to situations such as those related to the complexity of adaptation caused by sub-processes, the context of relationship initiation in general should be considered. First and foremost, the market position of the parties should be considered when constructing a framework for relationship orientation of the sales process through strategic adaptation.

4.3.4. Conclusions regarding sales and buying process combination

In order to develop a framework for the relationship orientation of the sales process through strategic adaptation, in this section I have explored the possibilities of sales and buying process combination in order to form a relationship initiation process. Firstly, the relationship orientation of the sales process was studied. This was conducted by interviewing members of the selling team. Secondly, by interviewing the buyer, I studied relationship orientation in the buying process. Thirdly, in order to explore the possibilities of combining and replacing the sales and buying processes, the seller and the buyer were both interviewed.

Both the seller and the buyer regard the development of a long-term relationship between the parties as important. This indicates a relationship-oriented mindset and approach. However, in order to develop a long-term relationship between the parties, relationship orientation should not be restricted to the mindset of only one of the parties and to being practiced (through adaptation) by only some of the team members. In order to succeed, relationship orientation should permeate all levels of the companies involved during relationship initiation. If relationship orientation is to permeate the companies, it must include the overcoming of inhibitors to relationship orientation. Lack of management skills and attention (as seen at the selling company in this case) inhibits relationship orientation. Remuneration principles and reward systems that enable personnel to gain from short-term focus further inhibit relationship orientation. Relationship orientation is a mindset that provides the foundation for a strategy to guide activities, which can be supported by various systems such as a reward system. Hence, the seller could first adopt a relationship-oriented view of relationship initiation. After this, they could review and where necessary
modify their remuneration principles and reward systems in a way that encourages
the whole organisation to act in a relationship-oriented fashion.

Regarding relationship orientation in the buyer’s buying process, little evidence of this
was seen in the case that was studied, at least not at the time when the relationship
initiation between the seller and the buyer took place. The buying process was
practically forced upon the seller – the seller complied with the buyer’s requirements or
they would not be selected as supplier. Today however, relationship orientation at the
buying company is considered to be important. The buyer follows a relationship-
oriented approach, and long-term co-operation with the supplier has become part of
their strategic approach. A clear sign of how seriously the buyer approaches this is that
they have introduced vendor management. Each supplier has a contact person at the
buying company who is responsible for managing the relationship with the supplier.
Vendor management can prove rewarding for both parties and for the relationship
between them, especially if the remuneration policies and reward systems at the buyer
support this. However, since sellers are only assigned a vendor manager after they have
been selected as suppliers, introducing vendor management does not directly imply a
relationship-oriented approach during the relationship initiation process.

In spite of the fact that both the seller and the buyer are in favour of adaptation
(especially when conducted by the seller), tighter integration between the processes,
namely combination of the sales and buying process to form a single process met with
resistance and scepticism. The reasons why combination is not desirable or even
considered to be possible mainly revolve around the complexity related to all of the
sub-processes that are attached to the buying process. In brief, adaptation, especially
when conducted by the seller is supported by both parties, whereas process
combination is not.

Instead of combining the processes, a dynamic and flexible sales process or a portfolio
of sales processes is proposed by the interviewees. Both alternatives could facilitate and
speed up the seller’s adaptation to the buyer and their buying process. In fact, in order
to further facilitate adaptation in new contexts, these alternatives could be combined to
form a flexible sales process that is adapted according to a market position portfolio.
Instead of having a portfolio of various sales process models, the portfolio would map
the market position context for relationship initiation, and adaptation of the flexible
sales process would be based on this context. This will be discussed further in the
following section.

4.4. Strategic adaptation as linked to a relationship-oriented mindset

In order to arrive at guidance and implications for developing a framework for strategic
sales process adaptation in a business context, the empirical part of this study has
focused on the exploration of three themes: understanding the sales process; adaptation
of the sales process; and combination of the sales and buying processes.

The guiding question for studying the first theme of understanding was ‘how is
relationship orientation in the sales process at large understood?’ The goal was to study
how the sales process is understood at large (in general) – taking the buyer’s buying
process into consideration. Indeed, the sales and buying processes are considered to be
‘two sides of the same coin’ during relationship initiation (cf. components of the
relationship initiation process: Aarikka-Stenroos & Halinen 2007). In order to arrive at
a more holistic view of sales and the sales process in relationship initiation,
triangulation of data was used: both the seller and the buyer were interviewed and studied with regard to the seller’s sales process and the buyer’s buying process.

In studying the second theme, adaptation, the guiding question was: ‘how is or could the sales process be adapted to the buying process?’ The goal was to contribute to the understanding of how the sales process could (through adaptation) become more relationship oriented. In order to arrive at a holistic view of sales process adaptation in a relational context (in which both parties are taken into consideration), both the seller and the buyer were interviewed regarding adaptation of the sales and the buying processes. In addition to adaptation referring to actions taken by the adapting party, the concept of adaptation also involves adapting to something – in this case the buying process – which requires the adapting party to have in-depth knowledge of the subject towards which it is adapting: here the buying process. This requires a certain amount of participation of the buyer in the seller’s adaptation. In order that the seller gains knowledge of the buyer’s buying process, the buyer needs to enable this. In other words, the buyer’s role is to facilitate the seller’s adaptation. Hence, in addition to adaptation, facilitating, or enabling the adaptation also had to be studied.

The third theme, combination, was studied using the guiding question: ‘if possible, how can the sales and the buying processes be combined?’ The goal was to explore the extension of relationship orientation from adaptation (including facilitating adaptation) towards a tighter integration of the processes in order to form a mutual sales-buying process, in other words, a relationship initiation process to replace the seller’s sales and the buyer’s buying processes. Exploration of this topic included studying the mindset of the seller and the buyer, and how their mindsets corresponded with relationship orientation. In common with studying the themes of understanding and adaptation, triangulation of data was used: both the seller and the buyer were interviewed and studied.

In this section, the main findings from the empirical data analysed, combined with findings from the literature review are presented. Firstly, the concepts of relationship orientation as a mindset and adaptation as a strategy are discussed with the aim of showing how these two concepts are linked in relationship marketing. The findings show how in both sales and purchasing literature, and also the seller and the buyer themselves failed to make the connection between the two concepts and were not successful in linking mindset and strategy. Secondly, a framework for relationship orientation of the sales process through adaptation is presented and discussed. The framework includes three steps: understanding the buyer’s purchasing portfolio, seller-buyer relationship orientation, and strategic sales process adaptation. Combined, these three steps constitute a framework that can prove invaluable to the seller’s understanding of the buyer’s purchasing situation, the seller’s possible positioning as viewed by the buyer, and how relationship orientation can affect adaptation.

### 4.4.1. Relationship orientation as a mindset and adaptation as a strategy

In this study, the overall focus is on relationship orientation of the sales process. Relationship orientation is understood as a mindset with the aim of building long-term business engagement between the seller and the buyer. A central aspect of relationships and relationship orientation is adaptation (Hallén et al. 1991; Gadde & Håkansson 1993; Brennan et al. 2003; Holma 2009), which is regarded as a strategy that provides the means for relationship orientation. When adaptation is viewed as a strategy, this
perspective is strategic and provides a direction and a guideline for conducting sales. In contrast, when adaptation is viewed as forming the means, the perspective becomes operational and focuses on implementation. Combining both perspectives, adaptation becomes a powerful aspect that drives relationship orientation on strategic and operational level. As viewed in this study, relationship orientation is a mindset and adaptation forms the strategy and the means for relationship orientation. Adaptation is viewed as being based on a relationship-oriented mindset (that results in adaptation) with the aim of achieving a long-term relationship between the parties. Adaptation can be regarded as forming a link between a relational mindset and the outcome being aimed for.

4.4.1.1. Relationship orientation as a mindset and adaptation as a strategy: findings from the literature review

The linkage between relationship orientation and adaptation is illustrated in Figure 20. The relationship orientation of the seller and the buyer is regarded jointly in the mindset region, whereas adaptation forms the strategy and provides the means (such as adaptation on the process and salesperson levels).

Adaptation is divided into adaptation as conducted by the seller and the buyer. Viewed separately, the seller’s adaptation includes sales process and sales work adaptation, and the buyer’s adaptation includes adaptation of the buying process and of buying (work). However, because adaptation includes the notion of adapting to something, adaptation requires some level of co-operation between the seller and the buyer. In other words, in the same fashion that the adaptation of sales work requires knowledge of buying, the adaptation of the sales process to the buyer’s buying process requires that the seller has knowledge of the buying process. In contrast, the buyer’s adaptation of the buying process or buying requires knowledge of the seller’s sales process and sales work. In practice however, as pointed out both in the literature and the findings from the empirical data examined in this study, buyers seldom adapt their buying processes or buying, rather it is usually the seller that adapts to the buyer (e.g. Brennan et al. 2003). Hence, rather than consisting of modifications and adjustments to the buying process or buying, the buyer’s adaptation is more likely to consist of facilitating and supporting the seller’s own adaptation. Provided that a relationship-oriented mindset is present, linking seller and buyer adaptations could result in the buyer’s participation (through adaptation facilitation) in the seller’s adaptation. As a consequence, adaptation would no longer be regarded as a one-sided activity or process conducted by one party, rather it would be regarded as an activity and process in which both the seller and the buyer participate.
Based on the literature and research seen in marketing, sales and purchasing, a common understanding can be recognised with regard to the benefits and advantages resulting from a relational approach with a long-term focus. The benefits and advantages proffered by the literature reviewed include: more efficient use of resources, better solutions and improved level of service due to closer co-operation, and increased profitability (over time). From the literature review it can be seen that a relational approach is generally advocated. However, the same literature does not generally discuss how the seller and buyer can operationalise a relational approach. Some of the literature does however point out the central aspects of adaptation in relationships and relationship orientation. In general, sales research presents adaptation as involving modifications or adjustments on a behavioural level. Furthermore, marketing and sales research concludes that adaptation can be conducted by either a single party or be reciprocal. However, adaptation, as presented in the literature, is not linked to relationship orientation, i.e. adaptation does not include the linkage to a relational mindset, and a relational mindset is not presented as the foundation for adaptation. Instead of being linked to a relational mindset, adaptation, as presented in sales literature, seems sales oriented rather than relationship oriented. For example adaptive selling, as presented in sales literature, seems to largely rely on a transactional mindset.

In case adaptation is not linked to a relational mindset, the adaptation of the sales process will be affected. In general, sales processes combine strategy with action; they guide the implementation of a strategy. Naturally, the strategy used should be linked to the mindset. Hence, not linking adaptation with a relational mindset proves problematic and can become paradoxical: (quasi-)relational adaptation that is based on a transactional approach. As empirical findings revealed, this can cause the sales process to be discarded by the sales force, resulting in unplanned and ad-hoc modifications and adjustments to the sales work as conducted by the seller. Instead of following a sales process, the seller’s salespersons doing whatever they have to in order to close sales, which is a purely sales-oriented approach.

The sales process (which in this study is understood as a system of elements containing series of actions, primarily conducted by a seller who is aiming at business engagement with the buyer) combined with adaptation includes the notion of a buyer-seller relationship orientation and adaptation.
involvement during relationship initiation. Firstly, when aiming at a long-term relationship and co-operation, buyer-seller involvement should be based on a relational mindset. Secondly, by pointing out the possibility that the buyer could participate (at least to some extent) in the sales process, the sales process is regarded as involving both parties and their processes. In summary, this type of buyer-seller involvement with the adaptation of the sales process constitutes a view of the sales process that is linked both to a relational mindset and to the buyer and the buyer’s buying process.

In contrast with marketing, sales and purchasing research (which do not explicate the connection between a relationship-oriented mindset and adaptation as a strategy), the empirical data examined in this study reveals a connection between a relationship-oriented mindset and adaptation. As already stated, relationship orientation as regarded in this study refers to a tendency for mutual, long-term business engagement. In other words, when viewed from the seller’s perspective, relationship orientation involves buyer-orientation, which in turn involves understanding and to some extent adopting the buyer’s perspective.

4.4.1.2. Relationship orientation as a mindset and adaptation as a strategy: findings of empirical data analysis

In order to study how the sales process could become more relationship oriented, the empirical data gathered through the case study research focused on three main topics: understanding of the sales process, adaptation of the sales and buying processes, and sales and buying process combination.

The data revealed that the sales process is seen to only contain the seller’s side of relationship initiation. In other words, the sales process is not linked to the buyer’s buying process. Furthermore, the sales process is not linked to the mindset of relationship orientation. The sales process is regarded as a rather static process that consists of pre-defined steps, rather than as a process that is adaptable to the buyer’s buying process. This causes the seller to discards the sales process and focus purely on sales work, i.e. on selling in order to close a deal.

The findings of the empirical data gathered reveal that adaptation is considered to be a necessity, by both the seller and the buyer. However, the data also shows that it is generally the seller that adapts; the buyer rarely adapts to the seller. In fact, it is expected that the seller adapts their activities, actions and processes to correspond to the needs, requirements and expectations of the buyer. In spite of this, the buyer is not prepared to facilitate or support the seller in their adaptation. In other words, the buyer is not prepared to provide the seller with sufficient information, which is required by the seller in order to properly adapt their selling and sales process.

An extreme form of sales and buying process adaptation, which involves combining or integrating the processes, is seen only in a certain type of buyer-seller relationship: strategic partnership. In general, strategic partnerships are formed between sellers and buyers who are focusing on co-operation, which is of high importance and that has a high revenue impact for both parties. It is worth noting that the importance of the partnership and its revenue impact upon the seller and buyer can change for either party during the relationship initiation.

According to the findings of this study, although the seller and buyer recognise the overall importance of relationships and a relational approach, they remained very
much as a concept for both. Both the seller and buyer have difficulties in realising the idea of a relational approach and implementing it in their daily operations. In addition to not having the right set of tools to complement the concept, a relational mindset is missing. This is reflected in the findings from the sales and buying literature. If the parties do not have and share a relational mindset, an unplanned adaptation may result: i.e. ad-hoc or reactive adaptation.

The sales process is generally seen only from the bias of the seller’s perspective; the sales process takes the buyer and its buying process into very little consideration. This view of sales processes is common in marketing, sales and purchasing literature; this is also how the seller and the buyer viewed the sales process in the case that was studied. Moreover, as seen in the findings of both the literature and empirical data, instead of witnessing a strong focus on the sales process, the focus is mostly on the selling process; i.e. on actions rather than on activities.

Due to viewing the sales process exclusively from the seller’s perspective, the sales process tends to be regarded solely as a series of steps that are completed in a pre-defined fashion. Since sales processes are not generally designed or constructed with the buyer in mind, they include little in-built flexibility. This makes it difficult for the seller to follow and adapt their own sales process when situations change, e.g. when they face a situation where the buyer’s buying process does not match the seller’s sales process. Thus, rather than constructing and following a sales process which is adaptable to the buyer’s buying process, the seller discards their sales process and follows the buyer’s buying process. In the event that this corresponds with the seller’s strategy, i.e. if the seller is following a value-based selling approach (Rackham & DeVincentis 1998) where the seller does not follow a sales process, this can be supported and prove beneficial for the parties that are involved and for their future relationship. However, if the sales process is discarded unintentional, i.e. if the seller would in fact prefer to follow a traditional sales process (cf. Dubinsky 1980/81; Marshall & Moncrief 2005), this may cause problems for both the seller and buyer, and for their future relationship.

4.4.1.3. Relationship-oriented mindset and adaptation as a strategy - combining findings from literature and through empirical data

When combining findings from the literature review and empirical data, this reveals difficulties in operationalising the relational mindset. This is illustrated in Table 11 where on one hand findings from the marketing, sales and purchasing literature, and on the other hand interviews with the seller and the buyer are compared. The findings relate to following three areas: recognising advantages of relationships, relationship orientation as mindset, and adaptation as strategy for relationship orientation. The findings that are compared are gathered from the following sources: marketing literature (Mktg.), sales literature (Sales), purchasing literature (Purch.), the seller in the case that was studied (Seller), and the buyer in the case that was studied (Buyer).
Based on the review of the literature (marketing, sales and purchasing literature) on one hand, and on the findings through empirical data (the seller and the buyer) on the other hand, it seems that the advantages of relationships are widely recognised. There is a common understanding that aiming at long-term relationships is the ‘right thing to do’; pursuing long-term relationships can result in a win-win situation for both the seller and the buyer.

However, when analysing to what extent relationship orientation is regarded as mindset that takes both the seller and buyer into consideration (thereby affecting the seller’s and buyer’s overall view of sales and buying), only marketing literature – and relationship marketing literature in particular – adopts this view. Although the sales and purchasing literature as well as findings through empirical data, with regard to the seller and buyer in the case that was studied, recognises the value of relationships, relationship orientation is not presented or adopted as mindset. When categorising mindset as being either relational or transactional, the sales and purchasing literature and the findings through empirical data show that a transactional mindset still prevails.

Marketing literature partly recognises adaptation as strategy for relationship orientation: adaptation forms a central aspect of relationship orientation (Hallén et al. 1991; Gadde & Håkansson 1993; Brennan et al. 2003; Holma 2009). In contrast, as presented in sales literature in general, the seller adopts a sales-oriented approach: adaptation is used as within sales tactics with mainly the seller’s interest in mind (cf. Spiro et al. 1977; Weitz et al. 1986; Spiro & Weitz 1990; Román & Iacobucci 2010). Purchasing literature recognises the need for adaptation, especially in design, production, and delivery, and on a person and process level (e.g. Munnukka & Järvi 2008). However, purchasing in general considers adaptation to mainly be conducted by the seller in order to accommodate to the needs and requirements of the buyer (Leonidou 2005). In the case studied, the seller’s view corresponds well with the view of the reviewed sales literature, whereas the buyer’s view corresponds well with that of the studied purchasing literature. The seller views adaptation as necessary during relationship initiation, and unsurprisingly it is mostly conducted in an unstructured manner by salespersons and members of the selling team. The buyer likewise considers it necessary for the seller to adapt to the buyer: the seller has no choice other than to adapt to the buyer’s requirements. In summary, the seller and the buyer view adaptation as a necessity, rather than viewing it as strategy that is linked to a relationship-oriented mindset. Taking into consideration that the seller’s adaptation is mostly of an ad-hoc nature or is conducted as a reaction to the buyer’s requirements, reveals the missing link between mindset and strategy; the adaptation is not strategic and connected to a mindset, rather it is conducted in an unplanned and uncontrolled fashion.

Table 11  Combining findings from literature and through empirical data

<table>
<thead>
<tr>
<th>Topic</th>
<th>Mktg.</th>
<th>Sales</th>
<th>Purch.</th>
<th>Seller</th>
<th>Buyer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognise advantages of relationships</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Relationship orientation as mindset</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Adaptation as strategy for relationship orientation</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>
Although marketing literature recognises a connection between a relationship-oriented mindset and strategic adaptation, both sales and purchasing literature and the seller and buyer fail to make this connection. The result is somewhat of a paradox: the seller and buyer are aiming at relationship orientation, at the same time adopting a transactional approach, and behaving in an adaptive manner.

### 4.4.2. Framework for strategic adaptation of the sales process

Based on the review of research in the areas of relationship marketing, sales and purchasing, and on findings from empirical data that was gathered for this study, a framework for strategic adaptation of the sales process to the buying process has been developed. This framework is comprised of three parts: understanding the buyer’s purchasing portfolio, seller-buyer relationship orientation, and strategic sales process adaptation. The first part, understanding the buyer’s purchasing portfolio, focuses on the buyer’s purchasing portfolio and how the buyer views the purchase. The purchasing portfolio (cf. Kraljic 1983; Rackham & DeVincentis 1998) that was already described in the literature review is used as a basis and enriched with the findings from the empirical data collected. The second part, seller-buyer relationship orientation, consists of the seller and buyer’s relationship orientation: the mindset that the seller and buyer adopt. Dwyer et al.’s (1987) relationship model that was discussed in the literature review is a source of inspiration for this part to which various elements have been added; this part forms a synthesis that is based on findings from the literature review and from empirical data. The third part, strategic sales process adaptation, focuses on adaptation alternatives and possible outcomes. Although adaptation literature has contributed to this, this part is mostly based on the findings through empirical data. Together these three parts, or steps, constitute a framework that could prove to be a valuable tool to the seller by which they can understand the buyer’s purchasing situation and the seller’s possible positioning as viewed by the buyer, as well as how relationship orientation can affect adaptation. Implications for how the seller could affect sales process adaptation are also provided.

#### 4.4.2.1. Purchasing portfolio

The purchasing portfolio represents the buyer’s view of the purchase and of positioning the purchase in a frame of reference; the purchasing portfolio describes how important and how critical the purchase is to the buyer. Although the purchasing portfolio (Kraljic 1983) was initially developed for categorising purchases mainly conducted in already existing relationships (cf. Figure 16, p. 88), it can be used, as recognised through findings from empirical data, for categorising ‘new buy’ (Robinson et al. 1967) type of purchases as well. In fact, the buyer in the case that was studied used a similar approach for categorising their purchases. Moreover, the seller can use the purchasing portfolio strategically as an aspect of the buyer-seller relationship orientation during relationship initiation.

As already explained in the literature review, a categorisation that is commonly used for constructing a purchasing portfolio consists of the following dimensions: strategic importance of purchase, and difficulty of substitution (Kraljic 1983). Strategic importance refers to how important the purchase is for the buyer’s core business: the strategic impact of the purchase. A purchase can be of high or low strategic importance for the buyer. Difficulty of substitution refers to how difficult it is for the buyer to obtain a similar product, service or solution from another supplier; or in other words
how difficult it is to replace the supplier. In case of standard products, which are in abundance, the difficulty of substitution is low. In contrast, difficulty of substitution is generally high when there is e.g. a supply monopoly (through market position, patents, legislation or for other reasons), when a solution is considerably more advanced than those offered by competitors, or when a solution is highly innovative and novel to the markets (first-mover advantage).

As illustrated in Figure 21, using the dimensions strategic importance of purchase and difficulty of substitution gives us four item categories: non-critical items, leverage items, bottleneck items, and strategic items (Kraljic 1983; Rackham & DeVincentis 1998). Purchases in the first category, non-critical items, are of low strategic importance and easily substituted. Leverage items are of high strategic importance for the buyer, yet easy to substitute. Bottleneck items are of low strategic importance, yet difficult to replace. The fourth category, strategic items, includes purchases that are of high strategic value and that are difficult to substitute.

In case of non-critical items, the buyer (as stated in the case that was studied) is tempted to shop around, to compare and choose the product, service or solution and supplier that best meet the basic requirements of the buyer. Furthermore, in case the buyer does not (during their market screening) find what they are looking for, they may decide to postpone – or refrain from – making the purchase, as the item is of low strategic importance for them. On the other hand, should the buyer find an alternative and more attractive supplier, they may quickly change from the existing supplier to a more favourable one. In the event of leverage items, although the item is of high strategic importance for the buyer’s value creation, the item is concurrently easy to substitute, which may result in the buyer requiring more favourable terms and conditions from the seller. In other words, the buyer may put a stronger emphasis on the price and costs related to the purchase. Being difficult to substitute, the buyer may regard bottleneck items as a risk factor. As the buyer in the case that was studied pointed out, they do not wish to become dependent on a supplier. Dependency on a supplier could increase certain risks. Hence, instead of relying on one supplier, the buyer may adopt a double or multi-vendor strategy: the buyer seeks to diversify and
search for alternative ways to safeguard themselves from possible delivery failures. As stated by the buyer in the case studied, an alternative for the buyer may involve them deciding to develop a solution in-house that corresponds to their needs. However, this requires adequate resources and know-how being in place. In certain situations (e.g. when dealing with incumbent telecommunications operators that have considerable research and development resources), in-house development may in fact constitute serious competition for innovative solution providers. In the case of strategic items, which are both important and difficult to substitute, the buyer may benefit from forming a partnership with the supplier, thereby securing their output and continued value creation for their customers. This is important for the seller to understand, because this will help the seller to recognise how the buyer may view them and their product(s), service(s) or solution(s). In fact, the purchasing portfolio forms a 'lens' through which the buyer views the value that the sellers offer or can contribute to. How the buyer views the seller and the seller's value creation capability are likely to affect the buyer’s relationship orientation towards the seller.

In the case of non-critical and leverage items, the buyer is likely to have a low level of relationship orientation towards the seller. In contrast, in the case of bottleneck and strategic items, the buyer will probably have higher level of relationship orientation towards the seller. This provides an understanding and indication of how the buyer may act during relationship initiation, which is especially useful for the seller. Viewed from the seller’s perspective, if the buyer’s relationship orientation is low, this may have a negative effect on adaptation. Conversely, when the buyer’s relationship initiation is high, this can have positive implications for adaptation. (This will be explained more in detail in the next part of this sub-section.)

It is worth noting that the way in which the buyer views the purchase may change during relationship initiation. In the seller/buyer case that was studied, the findings of the empirical data show that the buyer’s view of both strategic importance and the difficulty of substitution moved from low to high during the course of relationship initiation. Since the solution that the seller proposed was novel and the market for the service that the solution enabled was yet to emerge, the buyer regarded the strategic importance of the purchase being low in the very beginning. Additionally, in the beginning of the relationship initiation process, the buyer regarded the solution and vendor to be easily exchangeable because they did not fully understand the solution offered by the seller. It was not until later during relationship initiation – after having gained further knowledge regarding the value of the service that the solution enabled them to develop/ offer to their customers – that the buyer started to consider the strategic importance of the purchase. Furthermore, once the buyer understood some of the potential that the solution provided, they were able to make clearer distinctions between potential suppliers. When going further in the relationship initiation process and once adaptations to the solution were made in order to accommodate the buyer’s needs and requirements, the buyer’s difficulty of substitution became higher. To conclude, during relationship initiation, the purchase changed from being viewed as a non-critical item to becoming a strategic item. As a consequence, this positively affected the buyer-seller relationship orientation.

4.4.2.2. Seller-buyer relationship orientation

As already mentioned, the concept of relationship orientation, as used in this study, refers to the mindset involving the tendency for mutual and long-term business engagement. This includes the notion of the relationship being (or becoming)
profitable, otherwise it may not be justified or worth pursuing. In other words, the relationship should normally be mutually profitable within a certain time frame, with the length of the time frame being decided by the parties involved. The seller-buyer relationship orientation that is presented next combines the findings from theory with the findings of the empirical data analysis, resulting in some insights and conclusions. Combining views of the seller and buyer also aims at providing a holistic view of relationship orientation.

The mutual seller-buyer relationship orientation involves the seller and buyer’s relationship orientations; it consists of the mindsets that the seller and the buyer adopt. Furthermore, the mindsets that the parties adopt are linked to their purchasing and sales strategies. In addition to presenting the seller or buyer’s relationship orientation, Figure 22 links them both, thereby arriving at a combined view of relationship orientation. In contrast to Dwyer et al.’s (1987) model, which illustrated the buyer and seller’s relationship motivation in order to understand motivational factors in existing relationships, drawing from the literature review and through empirical data findings, this figure focuses on the relationship orientation of the seller and the buyer during relationship initiation. Additionally, the figure includes possible sales and buying approaches. The motive for combining the seller and buyer’s views of relationship orientation is that it is both the seller and the buyer that mutually form relationship initiation (Aarikka-Stenroos & Halinen 2007; Edvardsson et al. 2008). Moreover, it is the seller’s sales process and the buyer’s buying processes that together form the relationship initiation process (Aarikka-Stenroos & Halinen 2007). In other words, focusing only on either the seller or buyer’s relationship orientation would only provide a one-sided (simplistic and biased) view of the situation. By way of contrast, viewing the two viewpoints together results in a more balanced view and leaning towards mutual business engagement. As illustrated in the figure, the two dimensions that are used for categorising relationship orientation are: seller’s relationship orientation, and buyer’s relationship orientation. Both can be can be ‘low’ or ‘high’. These dimensions form a quadruple that illustrates four categories: product-based business engagement, seller-driven business engagement, buyer-driven business engagement, and value-based business engagement.

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\(^5\) Naturally, there are cases where a relationship is pursued and maintained for reasons other than profitability; these cases however, are beyond the scope of this study.
Figure 22 Seller-buyer relationship orientation (inspired by Dwyer, Schurr & Oh 1994:15)

In the event that the seller adopts a sales-oriented view, in which the main focus is on the seller’s own interests and the objective is to make a sale, the seller’s relationship orientation could be considered to be low. In contrast, when the seller adopts a relationship or true value-based selling approach (cf. value-based selling, Rackham & DeVincentis 1998) – the focus being on mutual interests and achieving a win-win situation – the seller’s relationship orientation would be considered to be high. When a buyer adopts an ‘at arm’s length’ approach in buying, focusing mainly on their own interests and on keeping the seller from coming too close (as mentioned in the case that was studied), the buyer’s relationship orientation would be considered to be low. Then again, if a buyer adopts a supplier-oriented approach (cf. SOPB, e.g. Dubinsky & Ingram 1982; Humphreys et al. 2008) and focuses on relationship-oriented buying, the buyer’s relationship orientation could be considered to be high (this is what was referred to as the ‘partnership approach’ in the case that was studied).

In product-based business engagement, both the seller and buyer’s relationship orientation are low. Neither party adopts a relational mindset, both preferring to focus on their own needs and acting accordingly. In such cases, both the seller and the buyer adopt a transactional, rather than a relational approach. The product becomes the focal point of the partnership, which results in focusing on the sale or purchase (depending on if viewed from the seller’s or the buyer’s perspective). This is a common scenario in the case of non-critical items, when referring to the buyer’s purchasing portfolio.

In the case of seller-driven business engagement, the seller’s relationship orientation is high, whereas the buyer’s relationship orientation is low, in other words, the seller is aiming at a relationship with the buyer, whereas the buyer adopts an ‘at arm’s length’ approach to buying. While building a relationship is important for the seller, the buyer focuses on the product and does not regard there to be value in building a relationship with the seller. When turning to the buyer’s purchasing portfolio, this scenario seems more likely in the case of leverage items.
The category *buyer-driven business engagement* encompasses situations where the seller’s relationship orientation is low and the buyer’s relationship orientation is high; this kind of situation is the opposite of seller-driven business engagement. In this kind of situation, the seller adopts a sales-oriented selling approach, and the buyer follows a supplier-oriented or relationship-oriented buying approach. While the seller adopts a transactional approach, the buyer adopts a relational approach. Linked to the buyer’s purchasing portfolio, this approach refers to the purchasing (and selling) of ‘bottleneck’ items.

Finally, *value-based business engagement* refers to situations where both the seller and buyer’s relationship orientations are high: the opposite of product-based business engagement. In this category, both parties not only recognise the value of a relationship, but also understand that a relational approach can result in ‘more than the sum of its parts’. The parties understand that by looking beyond their own short-term interests, together they can gain much more in the long run. Both parties focus on value, rather than on the product (or sale/purchase). Referring to the buyer’s purchasing portfolio, this corresponds to the purchasing (and selling) of strategic items.

Understanding the relationship orientation during relationship initiation is important. The relationship orientation mindset guides sellers and buyers in selecting their sales and buying approaches. This in turn affects what kind of a sales process the seller follows and what kind of a buying process the buyer follows. Furthermore, the selling firm’s relationship involvement affects the seller’s sales process adaptation. Company involvement as used in this context refers to the extent to which the company is involved in a relational mindset. In the event that there is little company-wide support for a relational mindset, company involvement is considered to be low. This however, does not imply that there would not be any support for a relational mindset within the company, rather that the mindset might only be supported by only a few persons or at certain levels in a company. Without senior management’s involvement in relationship orientation, it is unlikely that the mindset will permeate all (lower) levels in the organisation. Likewise, without senior management involvement, the sales process is not likely to change from a traditional sales-oriented sales/selling process to a relationship-oriented process. Similar to how the selling firm’s relationship orientation involvement affects their sales process adaptation, the buying firm’s relationship involvement affects their buying process adaptation. The seller and buyer’s adaptation can reveal their relationship orientation; low adaptation indicates low relationship orientation, whereas high adaptation (provided that adaptation is not used as a sales or buying tactic) insinuates a level of high relationship orientation.

In the case of product-based business engagement, the seller may apply a standard selling process (Dubinsky 1980/81) and the buyer a standard buying process (Webster & Wind 1972). In other words, neither the seller nor the buyer would feel the need to adapt. In conclusion, both the seller and buyer’s relationship orientation remains low.

In a seller-driven business engagement, the seller seeks to operationalise their relationship orientation mindset by the means of adaptation. As a consequence, the seller may adopt a relationship-oriented sales process (cf. Moncrief & Marshall 2005). Furthermore, by aiming at a relationship with the buyer, the seller could adopt a value-

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6 In addition to the evolved selling process presented by Moncrief and Marshall (2005), which mainly focuses on the salesperson, a relationship-oriented sales process refers to a sales process that (in addition to taking the salesperson and the buyer into account) takes the buyer’s buying process and the relationship into consideration.
based sales approach (cf. Rackham & DeVincentis 1998\textsuperscript{7}). The buyer, however, would still adopt and follow their standard buying process.

Buyer-driven business engagement is the diametrical opposite to seller-driven business engagement: the seller’s relationship orientation is low, whereas that of the buyer is high. The seller adopts a standard selling process and the buyer an adapted buying process. However, in spite of this fact that it may be the buyer who invites the seller to participate in relationship initiation (Liang & Parkhe 1997; Ellis 2000; Overby & Servais 2005; Agndal 2006), it is generally the seller that is the more active party during relationship initiation, the seller is usually the party to adapt to the buyer (e.g. Edvardsson et al. 2008). As shown through findings from the empirical data, in the case of buyer-driven business engagement, instead of the buyer actually adapting, the buyer’s adaptation could consist of facilitating and supporting the seller to adapt. Naturally (as was also revealed in the empirical data), situations occasionally occur where the buyer is the more active party.

In value-based business engagement, which in many respects is the diametrical opposite of product-based business engagement, both the seller and buyer’s relationship orientation is high. Both the seller and the buyer have a long-term focus and are aiming for a business relationship. In value-based business engagement, both of the parties may adapt their processes to accommodate the other party, in order to arrive at a mutually profitable relationship. In very advanced situations, the parties could move beyond the sales and buying processes and consider a mutual relationship initiation process (cf. Aarikka-Stenroos & Halinen 2007; Edvardsson et al. 2008)\textsuperscript{8}.

As mentioned before, it is important for the seller to understand the link between mindset and strategy. Recognising and understanding this helps the seller to adapt in a way that corresponds to the current situation. At the same time the seller in particular should recognise that situations change: both the seller and buyer’s relationship orientation might change during relationship initiation. Linking back to the buyer’s purchasing portfolio, changes in the strategic importance of the purchase and difficulty in substitution can affect the relationship orientation of the parties. As a consequence, this can affect adaptation on all levels: individual, process, and company-wide. In the next part of this section, the strategic adaptation of the sales process is explored more in detail.

\subsection*{4.4.2.3. Strategic sales process adaptation}

In the marketing, sales and purchasing literature that was reviewed, adaptation was generally described as consisting of behavioural modifications and adjustments on salesperson level. In this study, the focus is on linking the relationship orientation mindset with adaptation as strategy. The relationship orientation of the sales process is operationalised through adaptation, which is one of the central aspects of relationships. Furthermore, from the findings of the empirical data from the case that was studied, it

\textsuperscript{7} In value-base selling as is presented by Rackham and DeVincentis (1998), the seller follows the buying process – rather than adopting a relationship-oriented sales process – and concentrates on adding value during each step of the buying process. In contrast, a value-based sales approach would include high relationship orientation that permeates all levels in the organisation.

\textsuperscript{8} In contrast to the relationship initiation processes as presented by Aarikka-Stenroos and Halinen (2007) and Edvardsson et al. (2007), where the relationship initiation process is viewed from the perspective of relationship marketing instead of from the point of view of the sales and buying processes, a relationship initiation process could indeed be adopted by the seller and the buyer.
can be seen that adaptation is considered to be important during relationship initiation. Thus in this part of the section, the focus is placed upon the strategic adaptation of the sales process.

As pointed out earlier when discussing the buyer’s purchasing portfolio and seller-buyer relationship orientation, the mindset affects the adaptation of the sales and the buying processes. A low company involvement in relationship orientation can result in little adaptation or in adaptation being conducted in an unplanned and unformalised (unstructured) fashion. In other words, if senior management is not advocating a relationship-oriented mindset, this is likely to negatively affect adaptation. In contrast, high company involvement assumes that senior management and all other levels within the organisations are aiming towards a buyer-seller relationship. As findings from the empirical data show, the mindset guides the relationship orientation of the sales process.

Also based on the findings of the empirical data, two dimensions are of central importance when conducting strategic sales process adaptation: sales process adaptability and the seller’s knowledge of the buyer’s buying process. In the context of this study, sales process adaptability simultaneously refers to both the formalisation and the flexibility of the sales process. In the context of a sales process, formalisation refers to how the sales process is structured; the sales process follows a certain plan, and, to a certain degree, it is pre-defined. Flexibility refers to how the sales process can be adjusted and modified according to the situation. A standard selling process, which follows a number of steps that are presented in a pre-determined and pre-arranged order can be described as being highly formalised. Most standard selling processes, however, are not flexible; it is usually difficult to adjust a standard selling process to match a certain buyer’s buying process. If a sales process is formal but inflexible, the adaptability of the sales process is considered to be low; due to the inflexibility of the process, it will be difficult to adapt it to various buyers’ buying processes. Additionally, if a sales process is informal but still inflexible, the adaptability of such a sales process could also be considered as low. However, if a sales process is informal but flexible, this infers that each salesperson conducts their sales work (actions) as they wish. Having no guidelines to work from results in extreme flexibility on a person level, which simultaneously results in unstructured sales (activities) on a sales force or company level. In general, a sales process that guides the sales force to focus on actions (instead of activities) and that is not linked to a relational mindset is probably not intended for adaptation. This seems to be the situation with most selling processes. In order for the adaptability of a sales process to be high, the process needs to be both formalised and flexible; the formalisation of the process provides structure, and the flexibility enables adaptation of the process to match the buyer’s buying process. In conclusion, a sales process that has low adaptability does not constitute a formalisation of sales in a way that simultaneously includes flexibility; adaptation of such a sales process to match the buyer’s buying process will prove difficult. A sales process that has high adaptability will provide guidance for the sales force, featuring the in-built flexibility needed for adapting it to the buyer’s buying process, as well as being linked to a relationship-oriented mindset.

The dimension seller’s knowledge of the buyer’s buying process (which refers to the seller’s understanding and knowledge of the buyer’s buying process) includes a link with the buyer’s relationship orientation and purchasing portfolio that the buyer adopts during relationship initiation. Somewhat simplified, in the context of this study the seller’s knowledge of the buyer’s buying process is categorised as being either ‘low’ or ‘high’. As linked to the buyer’s purchasing portfolio and relationship orientation, in the
event that the buyer categorises the purchase as a non-critical or leverage item, it is likely that the buyer’s relationship orientation – and openness towards the seller – will be low. This can result in difficulties for the seller in obtaining information from the buyer regarding the buyer's buying process. Consequently, the seller’s knowledge of the buyer's buying process will be regarded as being ‘low’. In contrast, when the buyer categorises the purchase as a ‘bottleneck’ or strategic item, the buyer’s relationship orientation is more likely to be ‘high’, resulting in a higher level of openness towards the seller. This facilitates the seller’s possibility of obtaining information regarding the buying process from the buyer, optimally resulting in high knowledge of the buyer’s buying process.

Although the buyer can influence the seller’s knowledge of the buyer’s buying process, the selling company’s involvement affects whether and how that knowledge is used. In the event that the selling company’s relationship involvement is high, the value of gathering such knowledge increases: the advocating of relationship orientation includes supporting adaptation, which in turn requires knowledge of the area in which adaptation will be conducted. In conclusion, both the seller and the buyer affect the level of the seller’s knowledge of the buyer’s buying process. As shown in Figure 23, the dimensions ‘sales process adaptability’ and ‘seller’s knowledge of buyer’s buying process’ provide a field that allows us to divide adaptation into three categories: ad-hoc adaptation, reactive adaptation, and strategic adaptation.

Figure 23 Strategic sales process adaptation

The reason for illustrating the figure as a field, rather than a quadruple is that the dimensions that are used (‘sales process adaptability’ and ‘seller’s knowledge of the buyer’s buying process’) result in an asymmetrical outcome rather than a symmetrical one. This will be explained in further detail below.

In the event that sales process adaptability and the seller’s knowledge of the buyer’s buying process are categorised as being ‘low’, this may result in ad-hoc adaptation (adaptation that is carried out with little planning or preparation). Such adaptation can include minor or major adjustments and modifications, the common denominator, however, is that any adaptation made is unplanned (cf. ad-hoc adaptation, Brennan &
This type of adaptation, if conducted on a continuous basis, is likely to result in high costs, thereby lowering the profitability of the buyer-seller business engagement. Although sellers would clearly prefer not to conduct costly ad-hoc adaptations, based on findings of the empirical data, the seller often finds such adaptations to be unavoidable. In advanced situations, where business engagement is characterised by ad-hoc adaptation, the cost of such unplanned adaptation can exceed the sales margin, turning an otherwise profitable business engagement into an unprofitable one. Linked to the buyer’s purchasing portfolio and buyer-seller relationship orientation, ad-hoc adaptation is apparently common when selling and purchasing non-critical items and where the buyer’s relationship orientation is low. This combined with a low level of selling company relationship orientation (where salespersons receive little support from the sales management in terms of sales process guidance) can result in the seller (salesperson) discarding the selling process, as shown in the case studied. As a consequence, instead of following a sales process, the seller may begin to follow the buyer’s buying process, indeed, as the case shows, when the buyer adopts an ‘at arm’s length’ approach to buying, the seller can be forced to follow the buying process. This scenario can result in the seller having poor visibility when progressing through the relationship initiation.

When sales process adaptability is high but knowledge of the buyer’s buying process is low, or inversely when the sales process adaptability is low and the knowledge of buyer’s buying process is high, this can result in reactive adaptation of the sales process, which in Figure 23 is the area stretching from the upper left corner to the lower right corner. Adaptations to the sales process can be major or minor, and they for the most part are relatively unplanned. Furthermore, reactive adaptations are generally conducted as reactions to changes that are often introduced by the buyer. Some differences, however, can be identified between adaptations of this type. When the sales process adaptability is high and the knowledge of the buyer’s buying process is low, the seller could adopt an adaptable sales process that can easily be modified and adjusted to the buyer’s buying process (based on the knowledge that the seller has regarding this). Linking to relationship orientation, in this area of reactive adaptation, the seller’s relationship orientation is high: it is the seller that drives the business engagement. This involves the selling company’s involvement in relationship orientation being high, with the aim of a long-term business engagement with the buyer. If the buyer’s relationship orientation is simultaneously low: the buyer may not consider it as resulting in high enough a value for them to engage in a long-term relationship with the seller.

Reflecting on the case that was studied, the findings of the empirical data show that this is a common situation for small selling firms to find themselves in when presenting and offering innovative solutions to large – and especially incumbent – telecommunications operators. As pointed out in the case study, this can result in the seller being prepared to adapt their sales process, yet the buyer not being prepared to facilitate the seller’s adaptation; the buyer shows little openness towards the seller, which can result in the buyer inhibiting (or hindering) the seller’s adaptation. With reference to the buyer’s purchasing portfolio, this situation rarely occurs when selling and buying leverage items.

When sales process adaptability is low but the knowledge of the buyer’s buying process is high, the seller cannot easily adopt a traditional sales – or selling – process as they are difficult to adjust and modify to correspond to the buyer’s buying process, even if the seller has in-depth knowledge of the buyer’s buying process. As linked to relationship orientation, the selling company’s relationship orientation is low, a
situation for which, as noted, there can be various reasons. In contrast, in reactive adaptation of this type, the buying company’s relationship orientation would be high. This results in what was previously (cf. Figure 22) described as ‘buyer-driven business engagement’. In this situation it may in fact be the buyer that needs to adapt their buying process to the seller’s sales process, rather than the other way around. However, as pointed out in the case that was studied, the buyer is generally not prepared to adapt their buying process. Even if the buyer would in theory be prepared to do this (i.e. the buyer’s relationship orientation is high), in practice this is usually too difficult and complex for the buyer to achieve. Hence, both the seller and the buyer recognise that it is mainly being the seller’s responsibility to adapt. Although adaptation in a buyer-driven business engagement still largely remains the responsibility of the seller, it was recognised that it is the buyer’s responsibility to facilitate the seller’s adaptation. However, although the buyer in buyer-driven business engagement is focusing on long-term business engagement, and would be prepared to support the seller’s adaptation of their sales process, the seller’s low relationship orientation combined with a non-relational mindset and operationalisation of these (e.g. by not adopting an adaptable sales process) could hinder the seller’s sales process adaptation. In fact, since the seller’s relationship orientation would be characterised as being low, the seller’s sales process may not even be easily adaptable. This could result in a situation where the seller reactively (and perhaps even unwillingly) adapts their sales work (or selling) instead of its sales process. Linking to the buyer’s purchasing portfolio, this situation is not uncommon when selling and purchasing bottleneck items (cf. Figure 21).

The reason for considering reactive adaptation as forming one area instead of two areas (cf. reactive and emergency adaptation and tacit adaptation: Brennan & Turnbull 1999), is that regardless of the selling firm’s low and buying firm’s high relationship orientation (buyer-driven business engagement), it is generally the seller that is expected to adapt its sales process to the buyer and buyer’s buying process rather than visa versa. This results in an asymmetrical type of adaptation. Regardless of high sales process adaptability and low seller’s knowledge of the buyer’s buying process (cf. seller-driven business engagement), or low sales process adaptability and high seller’s knowledge of buyer’s buying process (cf. buyer-driven business engagement), adaptation is still conducted by the seller. When adaptation is categorised as being reactive, the seller’s adaptation can be regarded as a reaction to the buyer’s buying activities or the buyer’s buying process.

In the case of high sales process adaptability and low seller’s knowledge of the buyer’s buying process (cf. seller-driven business engagement), reactive sales process adaptation could be initiated and conducted by the seller. In contrast to this, in the case of low sales process adaptability and high seller’s knowledge of the buyer’s buying process (cf. buyer-driven business engagement), reactive adaptation may be initiated and facilitated by the buyer, and conducted by the seller.

When both sales process adaptability and knowledge of the buyer’s buying process are high, this optimally results in the strategic adaptation of the sales process: adaptation that is planned and linked to a relationship-oriented mindset. Strategic adaptation sits opposite to ac-hoc adaptation. Whereas both types of adaptation can include adaptations that are minor or major, only strategic adaptations are planned and linked to a relational mindset in a fashion that permeates organisations (cf. form and scale, Brennan & Turnbull 1999). This type of adaptation requires considerable investment by the involved parties. Investment in strategic adaptation should not be regarded as
costs, but rather as long-term investments with the aim of receiving a future return on the investment, eventually exceeding the investment made over time. Hence, linking to the buyer’s purchasing portfolio, strategic adaptation could be reserved for strategic items. Furthermore, in order to succeed, strategic adaptation requires that both the seller and buyer’s relationship orientation is high; instead of focusing on the product, sale or purchase, both parties could focus on value, i.e. aim for value-based business engagement. High sales process adaptability (supported by high level of relationship orientation by the selling company), and high knowledge of buyer’s buying process (supported by a high level of relationship orientation by the buying company) can contribute to strategic adaptation of the sales process. As a consequence, the sales activities and actions conducted by the seller may be matched to the buyer’s buying process. This could result in considerable improvements and advantages for both the seller and the buyer, as pointed out in the case that was studied: improved resource allocation, shorter sales and buying cycles, quicker ROI, and an improved (future) relationship overall.

The connection between mindset and strategy constitutes an important step in the transformation of adaptation from being an activity conducted by the salespersons as a form of sales tactic to becoming a strategic adaptation that permeates all levels and functions of the selling firm. Instead of focusing on short-term gains (such as filling the sales quota), switching the overall focus to mutual long-term returns can considerably affect adaptation on all levels of the selling firm. Relationship-oriented adaptation requires combining both mindset and behaviour, thereby taking the buyer’s purchasing portfolio and seller-buyer relationship orientation into consideration in a way that enables strategic sales process adaptation.

As already pointed out when discussing the purchasing portfolio and buyer-seller relationship orientation, the situation may change during the relationship initiation. This is also the case in strategic sales process adaptation: changes in a selling firm’s relationship orientation affect sales process adaptability, and a buying firm’s relationship orientation can affect the seller’s knowledge of the buyer’s buying process. As a consequence, sales process adaptation can change during relationship initiation between ad-hoc adaptation, reactive adaptation, and strategic adaptation. In other words, the model is not static; the sales process adaptation model should be regarded as being a dynamic model that reflects changes in adaptation of the sales process during relationship initiation.

To summarise, in this sub-section the focus was on strategic sales process adaptation and its linkage to relationship orientation. In addition to elaborating on the connection between mindset and strategy, how the selling and buying companies’ relationship orientations affects sales process adaptability and the seller’s knowledge of the buyer’s buying process was discussed. Furthermore, it was discussed how sales process adaptability and the seller’s knowledge of the buyer’s buying process affect sales process adaptation, and how this can result in three types of sales process adaptation: ad-hoc, reactive and strategic adaptation. Next, the focus will be on combining the three concepts (i.e. the purchasing portfolio, seller-buyer relationship orientation, and strategic sales process adaptation) to form a conceptual framework for strategic sales process adaptation. Additionally, it will be discussed how the seller could transition from conducting ad-hoc adaptation to reactive or strategic adaptation.

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9 Returns are not limited to financial gains, rather they can include other types of advantages such as know-how.
4.4.2.4. Framework for strategic sales process adaptation

The purchasing portfolio, seller-buyer relationship orientation, and strategic sales process adaptation together form a framework for strategic sales process adaptation. Discussing these separately better allows us to examine each of these concepts more in depth. Next, however, the three concepts are viewed as forming the layers of the framework. The purchasing portfolio, which forms the first layer, and the relationship model that acted as inspiration for developing the second layer have traditionally been viewed separately, rather than combining them, as has been done in this study. In this sub-section, however, partly summarising previous discussions, the three parts are viewed as being combined with each other, with the aim of illustrating the connection and linkage between the three layers more in detail, the layers can be compared to camera lenses that are combined to provide optimal focus at various ranges.

One lens shape forms a magnifying glass, enabling the viewer to focus at close range; other lens shapes enable wide or long-range views. A certain combination of lenses, however, can result in a multi-range view. A similar analogy applies to the layers: when the three layers (and the models that the layers are based on) are viewed separately – and from the perspective of the seller or the buyer alone – they capture one aspect of relationship orientation; it is the combination of the layers that enables (and contributes to) relationship orientation. As presented in this study, it is the linking or connecting of these layers that results in relationship orientation. The objective now is to explicate the linkage between the layers. This includes showing how the three layers interconnect and discussing the possible managerial implications for the seller and the buyer.

The strategic sales process adaptation framework, as illustrated in Figure 24, consists of three layers: purchasing portfolio, relationship orientation, and strategic sales process adaptation. Together, the layers form a conceptual and dynamic framework for a relationship-oriented sales process through adaptation, thereby linking relationship orientation as mindset and adaptation as strategy.
Figure 24 Framework for strategic sales process adaptation

The first layer, purchasing portfolio, illustrates how buyers generally divide purchases into four categories based on being of low or high strategic importance and being of low or high difficulty in terms of substitution (of the purchase and/or supplier). The categories are 'non-critical', 'leverage', 'bottleneck', and 'strategic' items. The second layer, relationship orientation, divides business engagement (based on low or high seller-buyer relationship orientation) into four categories: product-based, seller-driven, buyer-driven, and value-based business engagement. The third level, adaptation of the sales process, presents how sales process adaptation can be divided into three categories: ad-hoc, reactive, and strategic adaptation.

In the first layer, the buyer positions the purchase into one of the four categories of the purchasing portfolio, and this affects the buyer’s focus and purchasing strategy. Simultaneously (as shown in the case study), the way in which the buyer regards the purchase affects the buyer’s relationship orientation towards the seller. In the event that the buyer considers the purchase as being ‘non-critical’ or ‘leverage’ only, this is likely to result in a low relationship orientation towards the seller. In contrast, should the buyer consider the purchase as a ‘bottleneck’ or a ‘strategic’ purchase, it is probable that this would result in a high relationship orientation towards the seller. When adopting the seller’s perspective, should the seller see that the buyer regards the purchase as being ‘non-critical’ or ‘bottleneck’, the seller may not consider it worthwhile to engage in a relationship with the buyer, which would result in low buyer-seller relationship orientation. After all, a relational approach is likely to require more resources, resulting in higher (selling) costs when compared to when adopting a transactional approach. Conversely, in the event that the seller thinks that the buyer regards the purchase as ‘leverage’ or ‘strategic’, the seller could justify the adoption of a
relational mindset, which could result in a high buyer-seller relationship orientation. The higher costs, which often result from operating based on a relational approach, are expected to be outweighed by future profits.

In the second layer, relationship orientation, in the case where a buyer’s categorisation of the purchase (as viewed by the buyer and understood by the seller) is ‘non-critical’, when combining the seller and buyer’s low relationship orientations, this may well result in product-oriented business engagement. In this situation, both of the parties adopt a short-term focus and concentrate on the sale and purchase, thereby ignoring the possibility of significantly higher value-creation in the long-term. Should the buyer’s categorisation of the purchase be of ‘leverage’, when linking this with the seller’s high and the buyer’s low relationship orientations, a seller-driven business engagement can result. In other words, the seller would be the driving force in the buyer-seller business engagement during relationship initiation. Combining the buyer’s categorisation of the purchase as non-critical with the seller’s low and buyer’s high relationship orientations, a buyer-driven business engagement may result. Instead of being seller-driven, this type of business engagement is mainly driven by the buyer. In the event that the buyer’s categorisation of the purchase is ‘strategic’, when combining the seller and buyer’s high relationship orientations, this optimally results in a value-based business engagement (i.e. of high strategic value for both the seller and the buyer). This is the opposite scenario to a product-based business engagement: both the seller and buyer’s mindsets are relational. Hence, instead of focusing on the sale and purchase, the parties focus on value: i.e. the seller and the buyer focus on expected long-term gains.

The third layer, adaptation of sales process, forms both strategy and means, and is linked to the layer ‘seller-buyer relationship orientation’, which is linked in turn to the purchasing portfolio layer. In the event that the seller-buyer relationship orientation is categorised as product-based (i.e. the buyer’s categorisation of the purchase is ‘non-critical’), this can result in ad-hoc adaptation of the sales – or rather the selling – process. On the other hand, instead of resulting in ad-hoc adaptation, this type of adaptation can be the appropriate type of adaptation by the seller in certain cases. Should the seller-buyer relationship orientation be categorised as being seller or buyer-driven (the buyer’s categorisation of the purchase being ‘leverage’ or ‘bottleneck’), this could result in – or require – reactive adaptation. In the event that the seller-buyer relationship orientation is categorised as value-based (buyer’s categorisation of the purchase is ‘strategic’), this may result in or require strategic adaptation of the sales process.

Based on the adaptability of the sales process and the seller’s knowledge of buyer’s buying process, which are linked to layer one (purchasing portfolio) and layer two (relationship orientation) in the figure, sales process adaptation can take various forms. By involving little planning or preparation, ad-hoc adaptation is often related to low levels of company involvement. Reactive adaptation involves some planning, whilst being simultaneously constrained by both the selling and buying firms, which to some extent may hinder adaptation. In contrast to adaptation being ad-hoc, strategic adaptation often arises as a result of high levels of company involvement: both the seller and the buyer recognise, understand and support the value of a relationship-oriented mindset.

Recognising and understanding the linkage between mindset and strategy through the different layers in the framework helps the seller to adapt in a way that corresponds to their current situation. Simultaneously, the seller – as well as the buyer – should
recognise that a *situation can change*: the buyer’s categorisation of the purchase in the purchasing portfolio can change; and both the seller and buyer’s relationship orientations can change during the relationship initiation phase (i.e. changes related to how the strategic importance of the purchase and/or the level of substitution difficulty can affect the relationship orientation of the parties). As a consequence, this can affect adaptation – or the possibilities for adapting – on different levels: individual, process, and company-wide. Moreover, changes in adaptation strategy can have an effect on seller-buyer relationship orientation, thereby affecting the buyer’s categorisation of the purchase in the purchasing portfolio.

In the interconnected and dynamic framework presented, impulses that can trigger changes, which are able in turn to affect all three layers, can occur on *any* of the discussed layers. A change on *any* of the layers can affect *all* layers, which has important implications for both parties and the relationship initiation process overall. For the seller, implications include the need to focus on the buyer to understand the buyer’s purchasing portfolio and how the buyer would position the product, service or solution and the seller. 10 This should provide the seller with an indication of how they are positioned in the buyer’s purchasing portfolio, which could affect the buyer’s relationship orientation mindset towards the seller. As the findings of the empirical data show, when introducing innovative solutions (that the buyer is not familiar with), which enable services that are new to the buyer and its customers 11, the buyer often by default categorises these as being ‘non-critical’. As the markets for these services develop, the categorisation of the purchase may become re-evaluated by the buyer. Based on the findings of the empirical data, it can be anticipated that buyers would re-categorise an innovative, ‘non-critical’ item into a ‘leverage’ item, rather than re-categorising it into a ‘bottleneck’ item. The logic behind this is the following. In spite of that this item might enable the buyer to offer its customers a new service, since the market for the possible service is in its infancy (i.e. in a very early stage of its life cycle), there is little reason for a buyer to regard such an item as being ‘bottleneck’ or ‘strategic’. Once the value (generally measured in terms of revenue) of the product, service or solution exceeds a certain threshold, the item might become re-categorised as being ‘strategic’.

The buyer’s categorisation of a purchase is likely to have an effect on the their relationship orientation. Once understanding this logic, the seller may adjust its relationship orientation accordingly. In the case of a product-based business engagement, the relationship orientation of both parties tends to be low. In this scenario both parties try to constrain the amount of resources that they allocate during the relationship initiation. In contrast, in the event that the seller adopts a relationship-oriented approach while the buyer adopts a transactional one, this can result in excessive resource allocation and difficulties to reach a business agreement as the case study revealed. In the case of a seller-driven business engagement, the seller may have to make considerable investments in terms of resource allocation for a (potential) buyer during the relationship initiation phase. In the (rare) cases of buyer-driven business engagement however, the seller might become tempted to allocate fewer than required resources and could face difficulties reaching an agreement (provided that the buyer has other options to choose from). When both the seller and buyer are highly relationship oriented, this generally has positive effects for each of them in terms of a

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10 Although it usually is more important to the buyer what the seller has to offer rather than who the seller is per se, the buyer is likely to take the selling firm overall (supplier) into consideration when evaluating the purchase.

11 Examples of latent markets or markets that did not exist prior to the service that was enabled by a seller’s solution include: text messaging, multi-media messaging, and mobile broadband services.
more efficient resource allocation, an accelerated relationship initiation process, an improved ROI, and a stronger future relationship.

Recognising and understanding the linkage between a relationship-oriented mindset and adaptation helps the seller to view the sales and the sales process in a more holistic fashion (as compared to previous research in the area of sales and business practices related to sales and selling). This will help the seller to develop a sales process that is relationship oriented; i.e. this provides the seller with insights that are valuable for the purpose of designing an adaptable sales process that takes the connection between the mindset and strategy into consideration. As shown through the findings of the empirical data, an adaptable sales process can be simultaneously formal and flexible. In order to adapt the process, knowledge of the buyer’s buying process is required. A change from 'low' to 'high' in the sales process adaptability or knowledge of buyer's buying process dimension can result in the changing from being 'ad-hoc' to 'reactive'. Thus, an increase in sales process adaptability dimension (through a stronger relationship orientation by the seller) is key to moving beyond ‘ad-hoc’ adaptation. Moving away from ‘ad-hoc’ towards ‘reactive’ adaptation (cf. ‘leverage’ item and seller-driven business engagement) is primarily up to the seller; the seller can achieve this even without the involvement of the buyer. The seller can by adopting a relationship-oriented approach and by increasing the adaptability of the sales process progress from ‘ad-hoc’ to ‘reactive’ adaptation. However, progressing from ‘ad-hoc’ to ‘reactive’ adaptation (cf. ‘bottleneck’ item and buyer-driven business engagement), involves increasing the seller’s level of knowledge of the buyer’s buying process from ‘low’ to ‘high’, which usually requires the involvement of the buyer (cf. relationship orientation of buyer). The seller needs not necessarily to wait for the buyer to become more supportive; the seller can actively seek to influence such change in mindset and behaviour. In order for the buyer to adopt a relationship-oriented approach, the seller may to some extent have to educate the buyer in relationship orientation and how adopting a relationship-oriented approach can result in increased value for both the buyer and seller (cf. Grönroos & Helle 2010). In order to progress from ‘ad-hoc’ or ‘reactive’ to ‘strategic’ adaptation (cf. ‘strategic’ item and value-based business engagement), an increase in both dimensions is required. Strategic sales process adaptation requires adaptability of the sales process, and knowledge of the buyer’s buying process: i.e. matching mindset and strategy.

In summary, the framework for strategic sales process adaptation is a conceptual one that to a certain extent draws from previous models, such as the purchasing portfolio, buyer-seller relationship orientation, and adaptation. Based on the findings of the literature review and the empirical data, relevant models or certain elements of the models have been combined in order to arrive at a more holistic view of relationship orientation of the sales process. Simply viewing the underlying models in the way that they were originally intended and for the purposes that they were originally developed does not result in relationship orientation, rather this would result in a seller- or buyer-oriented view of the aspect being observed. However, when combining the elements or layers of the framework, and simultaneously linking the seller and buyer’s mindsets and strategies, this results in a view that takes both the seller and buyer into consideration. Furthermore, it is through linking the mindset and strategy, together with combining the layers that results in relationship orientation. Moreover, the presented framework highlights the seller and buyer’s areas of contribution to relationship orientation, thereby emphasising the importance of the seller’s role and strategic sales process adaptation to relationship orientation during relationship initiation.
5 SUMMARY AND DISCUSSION

In this concluding chapter, a summary of the research and its main findings are presented. Additionally, the credibility, transferability, dependability, and conformability of the findings and results are addressed in a sub-chapter covering the evaluation of the research process. The conceptual contribution and managerial implications of the research are elaborated upon, and finally, the limitations of the study are reflected on and suggestions for further research are provided.

5.1. Summary of the study

At the beginning of this dissertation it was argued that relationship orientation of the sales process is an area that is relatively unexplored. Adaptation forms a central aspect of relationship orientation (Hallén et al. 1991; Gadde & Håkansson 1993; Brennan et al. 2003; Holma 2009), which is why relationship orientation of the sales process was explored through adaptation in this study. Furthermore, relationship marketing research generally focuses on existing relationships, whereas relationship initiation – which is the phase that a sales process addresses - has received limited attention (Aarikka-Stenroos 2007; Edvardsson et al. 2008). Although a relationship focus is considered to be important in marketing, sales and purchasing literature, in relation to the sales process itself, relationship orientation has received little attention. Linking relationship orientation as mindset with adaptation as forming the strategy and providing means (to relationship orientation) has not been explicated. As proposed in this study, linking relationship orientation with adaptation of the sales process can result in situationally matching both mindset and strategy with the process in a seller-buyer setting.

In sales research, the sales – or selling – process is generally combined with a non-relational mindset (or at least the process is not combined with a relational one), even though in marketing, sales and purchasing research it is widely recognised that adopting a relationship focus is ‘the right thing to do’. Most sales processes that are presented in literature are selling processes, which focus on actions conducted by the salesperson, rather than the sales processes that govern the activities.

Derived from the overarching topic of developing sales processes into becoming more relationship oriented, the purpose of this study is to develop a framework for strategic adaptation of the seller’s sales process to match the buyer’s buying process in a business-to-business context. Although the focus is on relationship orientation of the sales process during relationship initiation through adaptation, relationship initiation may result in relational or non-relational business engagement between the seller and buyer. Although adaptation is viewed as forming an integral aspect of relationship orientation, the focus of this study is not on the adaptation process itself. In order to arrive at the most holistic view possible of adaptation of the sales process during relationship initiation, both the seller and buyer are included in the case studied and its analysis. However, the selected perspective is primarily that of the seller, and the level focused on is that of the sales process. The context for the purpose of this study is relationship initiation between businesses, and the setting is the mobile telecommunications industry.

This research has been conducted in the areas of relationship marketing, and sales and sales management. It addresses the relationship orientation of the sales process in a
business context, and primarily contributes to the area of sales and sales management. The relationship marketing approach (Berry 1983; Grönroos e.g. 1979, 1989) was applied to underpin the relationship perspective in the research. In order to study the sales and buying processes, research was carried out in sales and purchasing which in turn increased the understanding that connecting mindset with strategy is pivotal. Connecting mindset and strategy is a challenge that became evident through findings of the empirical data. The empirical research carried out for this study was conducted in the software and telecommunications industries. The relationship initiation that was studied occurred between a software vendor and a mobile telecommunications operator. Case data were gathered from a selling firm in the software development industry, and from a buying firm in the mobile telecommunications industry.

In order to study relationship orientation of the sales process during relationship initiation, a rather broad perspective was chosen. A relationship involves more than one party, and relationship orientation implies leaning towards mutual business engagement. In the scope of this study, relationship initiation is seen to occur between two parties, the seller and buyer. During relationship initiation, the sales process guides the seller’s activities, and the buying process guides the buyer’s activities, together forming a relationship initiation process (Aarikka-Stenroos & Halinen 2007). For this reason, the literature review was conducted in the areas of relationship marketing, sales & sales management, and purchasing. Adaptation in a sales process setting as understood in the context of this study is defined as adjustments linked to relationship orientation at a business process level by one or both parties with the aim of initiating business engagement between the buyer and seller. Sales process adaptation is linked to relationship orientation and the buyer’s purchasing process, and can be categorised as: ad-hoc, reactive or strategic adaptation.

A literature review was conducted with the aim of exploring relationship orientation during relationship initiation between businesses, as presented in marketing, sales and purchasing research. The main question that was asked was: How do sales, purchasing and marketing literature refer to relationship-oriented business initiation? Hence the first main section of the literature review presents a review of literature in the field of relationship marketing research concerning relationship orientation between the seller and the buyer during relationship initiation. Relationship orientation is regarded as a mindset and adaptation as forming the strategy and providing the means. The second main section of the literature review provides a review of research in the area of sales with regard to the sales process and relationship orientation of the sales process. The third main section constitutes a review of literature concerning purchasing and the buying process, with a link to relationship orientation.

Findings of the literature review

The findings of the review of relationship marketing literature show that the initiation phase of relationships has received little attention in research (Edvardsson et al. 2008). The relationship initiation processes that are presented by Aarikka-Stenroos and Halinen (2007) and Edvardsson et al. (2008) provide valuable input regarding how relationship initiation can be viewed: as an outcome of the interaction between the seller and buyer during the relationship phase prior to reaching a business agreement between the parties. Furthermore, it was found that adaptation is considered forming a central aspect of relationships (Hallén et al. 1991; Brennan et al. 2003). However, unlike this study, relationship-marketing literature does not appear to focus on the linkage between the relationship orientation mindset and adaptation as forming a strategy and providing the means for relationship orientation.
Findings of the sales and sales management literature review revealed that the sales process remains a relatively unexplored area in scientific research. A widely used model for describing the sales process is ‘the seven steps of selling’ by Dubinsky (1980/81); this type of sales process model may well be the oldest paradigm in sales (Marshall & Moncrief 2005). Technological advancements and development of the Internet together with the paradigm shift from transactional towards relational marketing (Vargo & Lush 2004; Grönroos 2006 and 2008) have had a considerable impact on communication and interaction between sellers and buyers. These changes are also likely to have an effect on sales organisations and sales processes (cf. Moncrief & Marshall 2005; Dickie & Trailer 2007; Sheth & Sharma 2008). A conclusion that can be drawn from sales research is that new sales processes that adopt a relational view are needed (Rackham & DeVincenitis 1998; Moncrief & Marshall 2005; Sheth & Sharma 2008). Furthermore, findings include that instead of focusing on sales activities, sales processes usually consists of selling processes, which focus purely on sales work – or actions – as conducted by a salesperson. Additionally, sales – or selling – processes tend not to be linked to relationship orientation: they focus only on behaviour without including the mindset. Moreover, they do not generally take the buyer’s purchasing portfolio into consideration. In conclusion, sales processes are not generally linked to a relational mindset.

The review of purchasing literature has shown how the purchasing function has developed from being a clerical function to a strategic one. Although the purchasing function has undergone a considerable development over time, this is scarcely reflected in buying processes. A traditional approach to the buying process is that of the ‘five step buying process’ (Webster & Wind 1972), which – like the traditional sales process – is based on the AIDA(S) model (cf. Cousins & Spekman 2003). Relationship orientation is to some extent visible in purchasing literature; even if today’s buying processes are not based on a relationship-oriented mindset, the need for developing a relationship-oriented buying process is, however, recognised in purchasing literature (e.g. Lehtonen & Salonen 2005). Findings show that buying processes are generally not linked to a relationship-oriented mindset; buying processes are not considered to be adapted, nor do they generally take the seller into consideration.

Central findings of the literature review conducted include the idea that in spite of the fact that relationship marketing, sales, and purchasing literature recognise and understand the value of relationships, there seems to be a lack of awareness regarding how relationship orientation could be operationalised on sales and buying process level. Some researchers, however, have recognised that adaptation is a central aspect of relationship orientation (Hallén et al. 1991; Gadde & Håkansson 1993; Brennan et al. 2003; Holma 2009), and some researchers emphasise the importance of adaptation (cf. Wilson 1995; Overby & Servais 2005). Drawing from these findings, one can assert that adaptation of processes is regarded a central part of relationship orientation, provided that the adaptation is linked to a relationship-oriented mindset, which is one of the main conclusions of this study.

Based on the findings of the literature review with regard to relationship orientation in the fields of relationship marketing, sales, and buying, in order to develop a framework for strategic sales process adaptation in a business-to-business context, three topics that could be studied more in detail were identified. As a consequence, the following three main topics or themes were explored further using the empirical data collected: understanding of the sales process (understanding what to adapt), adaptation of the sales process (finding out how to adapt), and combination of the sales and buying processes (integrating the processes to form a mutual – relationship initiation –
process). Exploring these topics using the empirical data provided guidance and highlighted implications for the development of a framework for strategic sales process adaptation in a business-to-business context.

**Research approach, method and methodology**

The epistemological perspective adopted in this study was one of constructivism. Hence, relationship initiation in this context was viewed as being constructed by and between the seller and the buyer, and guided by their respective processes. This study employs the approach of systematic combining or abductive logic. I conducted a qualitative study applying a retrospective case study, where the main sources of information were in-depth interviews with key informants. Data gathering was conducted through semi-structured interviews from the counterparts at the seller and the buyer that actually participated in the relationship initiation between the two companies. Triangulation of data was applied throughout the data gathering process by interviewing each key member of the selling and the buying teams.

The approach applied in the study, systematic combining, is characterised by continuously moving back and forth between theory and empirical data (Dubois & Gadde 2002). Hence, knowledge was developed through a series of hermeneutic circles by combining data gathering, analysis, and reflection. The process of constructing meaning included continuously challenging existing theory and searching for data to confute such theories. In order to avoid revealing the purpose of the study to the informants (as this could have biased their responses), the interviews were conducted by first focusing on the sales and buying processes, and then moving to the adaptation and combination of the processes. The findings of the literature review became more comprehensible through the findings of the empirical data, and vice versa. However, in order to accommodate the reader, instead of writing this report according to how the process actually advanced during the research process, I have presented the research in a more traditional format, starting with theory and moving to the empirical part. Although the theory section of this study begins with the examination of relationship orientation through adaptation, then moves to the sales and buying processes, I decided to keep the order of the empirical evidence as unchanged as possible. Hence, the empirical section first focuses on the sales and buying processes, then moves to matching and combination. This decision was made based on the principle that, the theory section presents the connection between mindset and strategy, whereas the empirical one was used to explore the connection in the other direction; starting with the processes, then progressing to strategy and mindset.

**Findings of the empirical data**

In order to arrive at guidance and implications for developing a framework for strategic sales process adaptation with regard to the buying process in a business-to-business context, as previously mentioned, the empirical study follows the reverse structure of the theory section, focusing on the study of the following research themes, which were derived from the analysis of the literature review: understanding of the sales process, adaptation of the sales process, and the combination of the sales and buying processes.

Through exploring understanding, my goal was not only to find out how the sales process is understood by the seller, but to also to include the buyer’s view. The main question that was explored was: How is relationship orientation of the sales process at large understood? 'At large' refers to the inclusion of both the seller and buyer’s views, and taking the buyer’s side of relationship initiation into consideration. Being designed
exclusively from the seller’s perspective, the traditional sales process (e.g. Dubinsky 1980/81) is today regarded as somewhat cumbersome, static and restrictive. Furthermore, it does not provide the guidance and support for the sales organisation that is required in a sales process. This can result in that instead of the seller applying a sales process, the buyer’s buying process can in effect become the (selling) process that guides the salespersons’ actions and sales work, as in the case studied. These findings resulted in discoveries regarding particular requirements that a sales process could meet: a sales process should provide structure and guidance for the sales force, would benefit from being more flexible; and could take the buyer’s buying process into consideration. In conclusion, the sales process could in general benefit from increased adaptability.

The goal of exploring adaptation was to understand how the sales process could become more relationship oriented. The main question asked was: How is or could the sales process be adapted to the buying process? Supported by findings from the literature review, findings of the empirical data show that it is regarded mainly as the seller’s responsibility to adapt to the buyer, rather than vice versa. However, since current sales processes – as presented in theory and as understood by the seller and buyer – do not support adaptation, it mainly occurs at a salesperson level. Lacking company involvement, adaptation that is conducted on the level of the salesperson generally results in uncoordinated adaptation of sales work and actions, rather than in a co-ordinated adaptation of the sales process and sales activities. Although it is mainly the seller that is expected to adapt to the buyer, it was discovered that adaptation involves both parties. In other words, adaptation in buyer-seller context is constituted of a joint effort conducted by both the seller and the buyer. Important contributions made by the buyer could involve facilitating (aiding) the seller in gathering knowledge of the buyer’s buying process. In conclusion, a certain level of buyer involvement in adaptation is required: adaptation involves a certain level of relationship orientation and a relationship-oriented mindset.

Studying the combination of the sales and buying processes was carried out in order to explore the concept of integrating the sales and buying processes to form a single process (the relationship initiation process), rather than adapting the separate processes to each other (while still regarding them as separate processes). The main question asked was: If possible, how can the sales and buying processes be combined? The findings of the empirical data show that combining the sales and buying processes to form a relationship initiation process is not supported or even considered possible by the seller and buyer. Reasons for this include the high amount of sub-processes that are connected to the buying process, and that the buyer may concurrently be involved in relationship initiation with several sellers. More importantly, the findings reveal that unless the buyer regards the purchase as being strategic, their relationship orientation tends to be low. In order to increase the buyer’s relationship orientation, an increase of the perceived importance of the purchase for the buyer would be required, as well as the purchasing becoming more difficult for the buyer to replace.

Combining the findings of theory and empirical data

Based on the key findings of the literature review and from the empirical data collected, a framework for strategic sales process adaptation was developed. The framework, in which the linking of mindset and strategy & means forms a central aspect, combines various concepts that are arranged in three layers: purchasing portfolio, seller-buyer relationship orientation, and strategic sales process adaptation. The first layer, purchasing portfolio, forms the starting point, and it reflects how the buyer views the
purchase. Dividing the purchases based on the dimensions of strategic importance of the purchase and difficulty of substitution of the item and supplier, results in four categories: non-critical, leverage, bottleneck, and strategic item. The second layer, relationship orientation, combines the seller and buyer's relationship orientation, which are divided into four categories: product-based, seller-driven, buyer-driven, and value-based business engagement. Based on sales process adaptability and the seller's knowledge of the buyer's buying process, adaptation, as conducted by the seller was then divided into three categories of sales process adaptation: ad-hoc, reactive, and strategic adaptation. Sales process adaptability is linked to the seller company's involvement in relationship orientation, and the seller's knowledge of the buyer's buying process is linked to the buyer firm's involvement in relationship orientation. Changes in either party's mindset could affect the strategy, thereby affecting sales process adaptation. Furthermore, adaptation that is not linked to a relational mindset (e.g., when adaptation is used purely as a form of sales or buying tactics) may have a negative effect on the relationship initiation. Through careful analysis of theory and empirical data, the findings show that linking the three layers enables an explication of what affects sales process adaptation and vice versa (e.g., in what areas sales process adaptation could make a contribution). Furthermore, implications for managerial use were uncovered. These include suggestions that refer to the situation and industry types covered in the case studied. Additionally, guidance was provided regarding how sellers can get out of the ‘trap’ of ad-hoc adaptation. Strategies for this include involving the company, embracing the buyer's purchasing portfolio, understanding the current position that the seller has in the purchasing portfolio, and possibly educating the buyer in value creation and the advantages of adopting a relationship-oriented approach.

5.2. Evaluation of the research process

In this section, the research process is evaluated. The evaluation is conducted by judging the quality of the scientific research. First, criteria for evaluating qualitative research will be discussed. After this, the criteria that is suitable for judging the quality and trustworthiness of my research will be applied.

Traditionally, the quality of scientific research has been evaluated through four criteria for 'goodness' or quality: internal and external validity, reliability, and objectivity (e.g., Lincoln & Guba 1985; Denzin & Lincoln 1994; Silverman 2005). These criteria follow the scientific school of positivism, which is denoted by the ontological view of an objective reality. Instead of subscribing to the positivistic view of objective reality and one truth, as an interpretative constructivist, I view reality as being socially constructed and that several 'truths' can coexist. Hence, research by interpretative researchers epistemologically falling into the constructivist research tradition should not and cannot be evaluated using the same criteria as is applied for evaluating positivistic research. While there is no consensus as to which criteria should be used to evaluate qualitative research, this does not mean that the problem of quality, trustworthiness and authenticity of findings should not be addressed (Miles & Huberman 1994). In other words, although we may acknowledge that aiming to 'getting everything right' constitutes a paradox (Miles & Huberman 1994), one should avoid 'getting it all wrong' (Wolcott 1994:347). Moreover, the lack of a fixed set of criteria for evaluating the quality of research does not mean that there are no standards according to which qualitative research could and should be evaluated (cf. Spiggle 1994; Silverman 2005). Conducting qualitative research should not "offer protection from the rigorous, critical
standards that should be applied to any enterprise concerned to sort ‘fact’ from ‘fancy’” (Silverman 2005:15).

Instead of striving for a general set of criteria for judging the quality of research, the quality of research in each paradigm should be judged on its own paradigm’s terms (Healy & Perry 2000). As this study adopts the approach of systematic combining, the importance of the case study and how it was conducted are of central importance, hence, I will base my evaluation of the research on criteria aimed at judging the quality of case studies both on a case study level, as well as upon the research process as whole. Case study literature discusses criteria for judging the quality of research design (e.g. Gummesson 2000). Additionally, Lincoln and Guba (1985) propose a set of criteria suitable for studying the trustworthiness of the research: credibility, transferability, dependability, and conformability.

In order to evaluate the quality of the case study research, eight criteria proposed by Gummesson (2000:186-187) have been used:

1. Readers should be able to follow the research process and draw their own conclusions
2. As far as realistically feasible, researchers should present their paradigm and preunderstanding
3. The research process should possess credibility
4. The researcher should have had adequate access
5. There should be an assessment on the generality and validity of the research
6. The research should make a contribution
7. The research should be dynamic
8. The researcher should possess certain personal qualities

Items 1, 3, 7, and 8 will be discussed both from the perspective of the overall research process and the final case study. Referring to item 2, my paradigm was presented in section 1.7.3, and my preunderstanding was described in section 3.1.2. Item 4, access to data, is discussed in section 3.3. In order to address criteria included in item 5, assessment of the generality and validity of the research, I will focus on the case study through criteria presented by Lincoln and Guba (1985) that are applicable for exploratory studies: credibility, transferability, dependability, and conformability. Item 6, contribution of the study, is described on a conceptual level in section 5.3, whereas managerial and practical implications are presented in section 5.4.

Credibility

Credibility in research corresponds to the criterion of internal validity in positivistic research. Contrary to the positivistic research tradition, the interpretive tradition recognises that multiple ‘realities’ can coexist, and that the aim is to understand the phenomenon of interest from the participating actor’s perspective (Gummesson 2000). Furthermore, the research process should be dynamic, enabling the readers to follow it and draw their own conclusions (Gummesson 2000). In order to promote the credibility of this study, I have used reasoning and presented the research process as
transparently as possible. Additionally, in the empirical part, I have used direct quotations when presenting the informants’ responses to the questions and topics, thereby enabling the reader to draw his or her own conclusions.

**Construct validity** (Gummesson 2000; Healy & Perry 2000) involves using multiple sources of evidence, multiple perspectives, triangulation, a chain of evidence and using prior theory for defining concepts. In my research, I interviewed several key informants, both at the seller and the buyer. This provided different sources of evidence representing various perspectives. Analysing the data involved **triangulation**, which is one of the ways to improve the credibility and trustworthiness of research. Additionally, prior theory was used for defining the concepts used in this study. Moreover, all key informants were provided the opportunity to review the transcripts of the interviews. However, only one of the key informants decided to use this opportunity. The review resulted in full acceptance regarding the accuracy of the information provided by the informant.

**Transferability**

Transferability refers to the degree of generalisation of the results to other contexts or settings; it refers to the extent to which the results are transferable.

Recognising that common criticism aimed at case studies often includes that such studies provide little basis for scientific generalisation, Gummesson (2000) points out that generalisation from statistical samples is just one type of generalisation - it is not the only type of generalisation, and it seldom applies to case studies. Hence, he argues that making generalisations based on the content of case studies should be approached differently. There is a distinct difference between building and testing theory, and this is related to the researcher’s scientific philosophical standpoint (Gummesson 2000; Dubois & Gadde 2002). Positivist researchers, who focus on testing theories in order to arrive at the ‘truth’, emphasise the importance of generalisation. In contrast, researchers in social sciences who regard reality as being socially constructed often focus on **theory building**, whilst realising that they will never arrive at the final ‘truth’.

Subscribing to constructivism, instead of pursuing generalisability of the results of my research, and rather than testing a theory, through focusing on understanding I have had the aim of developing knowledge that can be used to develop or transform theory. The discipline of qualitative research relies on presenting data in such a way that the reader can understand the situations and draw their own conclusions (Patton 1990; Gummesson 2000). This is sometimes referred to as providing the reader with a ‘thick description’ (Geertz 1973), based on which the reader can draw his or her own conclusions, i.e. the reader ‘transfers’ the results to another context or setting. Rather than pursuing generalisation, or even transferring knowledge, I have emphasised **extrapolation** of knowledge from the findings of the case study that can be used and developed further in other settings.

I have described the research methods and context in as great detail as seems necessary for the reader to be able to fully interpret the context, setting and relationship between the actors. Furthermore, I have provided as rich a set of data as was possible so that the reader is able to make his or her own interpretation of the scenario, and to extrapolate from the outcome, and apply it in other setting.

In addition to being highly relevant to similar situations and settings as those seen in the study, the findings regarding strategic adaptation of the sales process and the resulting framework can also be applied to others settings where a seller or buyer is
aiming at business engagement. The findings regarding strategic adaptation could be of particular interest to innovative startups, which do not have formalised business processes, when they approach larger enterprises that have established and highly formalised business processes. In such situations, it is recommended that the seller adapts their sales process to the buyer’s purchasing process. Moreover, the findings of this study also point out the importance of the buyer’s role in adaptation: the buyer can facilitate (or inhibit) the seller’s adaptation. Realising this can be helpful especially in industries and companies where there is a tendency towards adopting an ‘at arm’s length’ approach to purchasing (a practice which has been common e.g. at incumbent telecommunications operators, due to their long history of operating as government-protected monopolies). Similar tendencies, however, can be found in many large enterprises across industries, in particular when sellers approach them with innovative solutions, which involve some level of change that can result in various forms of resistance (in the buyer’s organisation). It is possible, if not likely, that a more dynamic buyer is more favourable and supportive towards adaptation by the seller in comparison to the case studied. The case explored in this study involved the sale of a new type of solution in a complex environment, a situation which generally calls for a consultative selling approach. This could mean that the findings of this study could better fit situations that involve complex solution selling and consultative selling, as opposed to situations where standard products are offered in an established market by the means of traditional selling and where price and delivery constitute the key purchasing criteria. Furthermore, although there are various possibilities for customer orientation in Internet-based selling and purchasing, it is likely that the type of adaptation referred to in this study is not optimally suited for automated selling or purchasing.

Moreover, the connection between relationship orientation as a mindset, and adaptation as the strategy and means has a wider bearing on sales and purchasing across industries. As presented in this study, relationship orientation includes the seller adopting the buyer’s view and that the buyer to a certain extent adopts the seller’s view during relationship initiation. This involves trading short-term gains for long-term common perspectives, and focusing upon and understanding the value of relational business engagement for both parties. Although the framework focuses on facilitating relationship orientation during relationship initiation, and this optimally results in relational business engagement between the parties, the outcome can be the opposite: the relationship initiation can result in non-relational business engagement. However, this is not to say that the one or the other outcome would be ‘better’, rather that the framework should be regarded as including various scenarios: the framework can in effect be regarded as a relationship portfolio, which can help the seller to achieve a more efficient allocation of its scarce sales resources. This makes the framework applicable in and valuable for a variety of situations, and it illustrates the importance of the role of sales in relationship orientation during relationship initiation.

**dependability**

Whereas the positivist research tradition advocates reliability of research, which infers that the same research could be replicated and would result in the same conclusions, qualitative research promotes dependability. Since research findings in qualitative research often evolve through the interaction between the researcher and informant, the criterion of reliability is not applicable. Additionally, when using the hermeneutic circle, which involves a constant movement back and forth between theory and empirical data, this further reduces the meaningfulness of assessing research quality through reliability.
In contrast to reliability, dependability encourages the researcher to explain changes and movements in the context and research setting in which the research is conducted. Additionally, the researcher is encouraged to explicate how changes encountered during the research process affected the research and possible outcomes. In other words, the researcher is encouraged to act as accurately and truthfully as possible to explain the decision path (Lincoln & Guba 1985).

As mentioned earlier, due to using the hermeneutic circle, which involved moving back and forth between theory and empirical data, an exact description of the steps in the research process is not possible. However, I have openly described and elaborated on this topic in sub-section 1.7.4, where the research process is presented and discussed. In order to help the reader to understand and follow the research process, I have tried my best to capture and present the essential parts that are discussed per chapter within the introduction to each chapter, as explained in section 1.8. Furthermore, I have provided summaries and conclusions whenever needed.

**Conformability**

The positivist research tradition relies on the notion of objectivity. In contrast, qualitative research recognises that human beings are not objective. Hence, research conducted by researchers where the results form the outcome of interaction between persons, cannot be considered to be objective. Instead, conformability, which refers to neutrality, is used as a criterion in qualitative research.

Easton (1995) suggests that the researcher to put himself/herself in the position of the other when trying to not only understand what is studied, but also how the subject is studied and how the research process leads to results. This can provide a way for the researcher to consciously try to prevent personal views and beliefs from interfering with the research.

The ability of the researcher to reflect on his/her role as researcher and how this affects their interpretation of the data is referred to as reflexivity. As pointed out by Gummesson (2000), the researcher should have access to data and have certain personal qualities. At the same time, the researcher should not become biased by his/her preunderstanding (Gummesson 2000). In other words, instead of restricting innovative thinking, the researcher’s preunderstanding should assist in understanding more in depth the phenomena being studied.

As described in section 3.3, I had continuous access to the case and all informants. Having participated and been involved in the case during relationship initiation, I was not only familiar with the context and the case setting, but also with the persons involved and their roles in the scenario. All participants knew and trusted me to the extent that they provided me with information that they would not provide a researcher whom they do not know (I was informed). Additionally, when providing the informants with the possibility to remain anonymous – which all informants at the buyer opted for – they could rely on my keeping their true identities secret. Furthermore, all informants agreed that I could contact them for possible additional questions, should the need arise.

With regards to personal qualifications, I understand the ‘language’ that the informants use, which is a considerable asset. Should a person who does not understand their language have interviewed them, they would have had to explain several things, which would probably have been uncomfortable for some of the informants. Additionally, my education and theoretical knowledge in the field,
combined with my in-depth understanding of the industry and case in question proved valuable when conducting the interviews and analysing them.

Prior to the interviews, I practised the interview technique with a person in order to test the flow and logic that the interviews followed. The interviews were semi-structured in nature, which resulted in each interview progressing somewhat differently. I used this as an opportunity to learn; important points or questions that evolved and were discussed in previous interviews were added to the following interviews. In other words, the list of topics and questions evolved dynamically during the interview process; relevant topics that surfaced as a result of the discussions in an interview were added to the list of topics that were discussed in the later interviews.

5.3. Conceptual contribution of the study

This research has integrated theories and concepts from three different fields of research: relationship marketing, sales and sales management, and buying and purchasing (cf. Figure 3). Primarily, this research contributes to research in sales & sales management with reference to relationship orientation and strategic sales process adaptation. Furthermore, some of the findings may be utilised in relationship marketing and buying & purchasing, in particular the findings related to the connection between relationship orientation as a mindset and adaptation as a strategy.

The main theoretical contributions of this research involve targeting a new area in the crossroads of relationship marketing, sales and sales management, and buying and purchasing by studying adaptation in a business-to-business context from a new perspective. With this research, I have aimed to filling in three gaps in present research. Firstly, I have linked the relationship orientation mindset with adaptation as strategy. Secondly, I have extended adaptation in sales from adaptation in selling to strategic adaptation of the sales process. Thirdly, I have extended adaptation to include the facilitation of adaptation.

This study provides a framework for strategic adaptation of the sales process to the buying process during relationship initiation in a business-to-business context. Instead of constituting a static model, the framework presented is dynamic in nature. Combining three ‘layers’, the framework combines mindset and strategy, constantly monitoring the possible re-positioning of the purchase in the buyer’s purchasing portfolio, which may affect relationship orientation, thereby possibly affecting sales process adaptation.

The first layer in the framework, the purchasing portfolio model, was originally developed from the perspective of the buyer (Kraljic 1983). Later, the model has been somewhat simplified, and has also been introduced to sellers to help them to position their offerings to buyers (cf. Rackham & DeVincentis 1998). However, instead of adopting a relational approach when using the model, it has mostly been used transactionally. As presented in this framework, the purchasing portfolio is used as a ‘lens’ through which to view and understand purchasing and the purchase from a relationship perspective. After all, a purchase is linked to the buyer’s purchasing and company strategies. Realising and understanding the connection between purchasing, strategy and relationship orientation is pivotal, both for the buyer and seller. This helps the parties to understand how they can contribute to increasing the total value of sales and purchasing during relationship initiation.
A source of inspiration for the second layer, ‘seller-buyer relationship orientation’, is the model ‘hypothesized realm of buyer-seller relationships’ by Dwyer, Schurr and Oh (1987:15). Their model, which mainly focused on the seller and buyer’s motivation in a relationship, combined with findings from theories regarding sales and buying approaches and through empirical data, resulted in the second layer of the framework. This layer focuses on the seller and buyer’s relationship orientation, which to a certain degree is reflected in the sales and buying approaches. As described in the framework, when the relationship orientations of both parties are combined, this results in four categories of relationship orientation.

The third layer, ‘adaptation of sales process’, constitutes a synthesis of findings from previous theory and through empirical data. Inspired by the marketing literature regarding adaptation, by Brennan and Turnbull (1999) in particular, and enriched by the findings of this study’s empirical data, which pointed out the need for adaptability and knowledge (with reference to the buyer and their buying process), the results provide us a new way of viewing the importance and role of adaptation during relationship initiation. In fact, this view regarding the importance of adaptation was strengthened by the underlying challenge – the dynamic nature of sales and buying – that to some extent is visible in previous research regarding relationship-orientation of the sales, or selling, process (cf. Moncrief & Marshall 2005).

As mentioned earlier, each of the three layers forms an integral part of the framework: when used separately, the parts, or layers, only show an aspect of the whole. Thus, as suggested in this study, in order to arrive at a relationship-oriented view, the combination of the parts to form a whole is required. This is one of the conceptual contributions of this study. Furthermore, this study recognises and understands the dynamic nature of sales and purchasing. These dynamics were exemplified in the case studied where the purchase evolved from being regarded firstly as an item of low strategic value and easy to replace, to later becoming recognised as a strategic item that is difficult to substitute. As suggested in this study and in the framework, due to the dynamics involved in sales and buying, the parties are encouraged to monitor possible changes in any of the layers, because a change in one layer is believed to affect the overall relationship orientation.

Business relationships have been studied extensively in marketing, but the relationship initiation phase has received limited attention. Some researchers, however, have focused on the relationship initiation phase of relationships (Aarikka-Stenroos & Halinen 2007; Edvardsson et al. 2008). Focusing on third party involvement in relationship initiation (Aarikka-Stenroos & Halinen 2007) and on the dynamics in the relationship initiation process (Edvardsson et al. 2008), the focus of previous studies has been on relationship initiation when primarily adopting a dyadic view of the phenomenon. In contrast, in this study, although considering the both the seller and buyer, the perspective is that of the seller.

Although previous research has recognised adaptation as a central aspect in relationships (Hallén et al. 1991; Gadde & Håkansson 1993; Brennan et al. 2003; Holma 2009), the adaptation of the sales process to the buying process has not been studied. Furthermore, the linking of relationship orientation as mindset with adaptation as a strategy and forming the means has not been explicated or elaborated upon in previous research. In other words, previous research has not presented relationship orientation of the sales process through adaptation in a way that would be simultaneously linked to a relationship-oriented mindset.
Adaptation in the context of relationships has mostly been studied in relationship marketing, in the IMP tradition in particular. Research has mainly focused on dyadic adaptations. In sales and sales management research, adaptation has been studied with reference to personal selling. Adaptive selling refers to adjusting the salesperson’s sales work to the customer, and mostly focuses on behavioural aspects such as modifying the sales presentation or sales pitch to the customer (Spiro et al. 1977; Weitz et al. 1986; Spiro & Weitz 1990; Román & Iacobucci 2010). In this study, the focus is on adaptation of the sales process – including the selling process – to strategically match it to the buyer’s mindset and buying process.

In contrast to previous research in sales and sales management, which usually views the selling process as consisting of a set of predefined stages (Dubinsky 1980/81), which may be rearranged (Moncrief & Marshall 2005), this study adds two further aspects. Firstly, the level of analysis is expanded from salesperson level to involve the sales force and company. Secondly, it proposes including adaptation in the sales process in a way that connects mindset and strategy.

Furthermore, previous research regards adaptation as being conducted for example by a single party or being reciprocal, unidimensional or bidimensional, dyadic or triadic. In this study however, adaptation is extended and viewed as including the seller and buyer and providing them roles; the seller’s role is primarily to adapt, whereas the buyer’s role is primarily to facilitate and to a certain extent support the seller’s adaptation.

5.4. Managerial and practical implications of the study

This research has managerial implications for relationship orientation of the sales process through strategic adaptation. These implications affect both the seller and buyer.

This research has been conducted in the telecommunications industry. However, other industries may take advantages of the findings and results of this study in terms of sales, buying and relationship initiation, in particular where related to sales and buying of innovative solutions in new markets. Although innovations are more common in some industries than others, in a number of industries innovations that enable services that are completely new to the market do occur. In the case studied, a service was enabled by new technological developments, which does not however imply that all innovations are centrally related to technology, they can also be related e.g. to processes, procedures, services or value creation. The findings and results of this study may benefit sellers and buyers in other business-to-business contexts where consultative selling of new solutions or services is required, e.g. when selling innovative components, services or solutions to the automotive, logistics, transportation, construction, defence, health care and other such industries. Moreover, there are also a number of providers of business-to-business services, e.g. recruitment services, outsourcing, consulting, training, health services, travel management services, car leasing services, and office equipment leasing services that could benefit from the findings of this study, as generally speaking the understanding that the matching of mindset and strategy between buyer and seller is pivotal for optimising resource allocation and efficiency throughout relationship initiation. Despite that this study focuses on strategic adaptation during the relationship initiation phase, the findings are to a large extent also relevant for established relationships.
Even though this study takes a strategic view of relationship-orientation of the sales and sales process through adaptation during relationship initiation, this does not imply that the role of the persons involved in the process would be overlooked, quite the contrary. It is, in fact, the people who through their openness can enable strategic adaptation to take place. As already explained, a buyer’s openness can result in it being easier for the seller to gain knowledge of the buying process, which is required for proper adaptation of the sales process. The contact persons at the seller and buyer and their respective levels of relationship orientation can determine the outcome and type of business engagement in which the relationship initiation results. In addition to the persons being the information providers, it is between these people that the relationship initiation effectively takes place.

Implications for the seller

Although this study focuses on the relationship orientation of the sales process, relationship orientation may result in a relational or non-relational business engagement. In other words, adopting a relationship-oriented approach is not restricted to situations and relationship initiations that actually result in relational business engagement. It may well be that one or both parties do not regard relational business engagement as appropriate as the outcome of the relationship initiation. Nevertheless, relationship orientation provides the parties a starting point, which can result in relational or non-relational business engagement. This is important for the seller in particular; as by adopting a relationship-oriented mindset, the seller can ‘keep their options open’.

As a result of this study, it is suggested that the seller commences relationship initiation by focusing on the buyer. In fact, a central aspect of relationship orientation is to focus on mutually achieving the aims of both parties. This does not however imply that the seller should abandon their own interests, on the contrary: the seller should integrate their own interests into a larger context, that of the buyer-seller relationship. In other words, one does not suggest the seller neglects, but rather transforms them into a win-win scenario.

Proposing that the seller focus on the relationship and the buyer includes that the seller understands the buyer’s situation. This includes recognising the importance of the purchase for the buyer, which is generally reflected upon how the buyer positions the seller and its solution in their purchasing portfolio. The importance of focusing on the buyer and its needs is not a new concept in sales. This study however provides some tools that can help the seller operationalise relationship orientation: focusing on the buyer’s purchasing portfolio. This serves two purposes. Firstly, the seller can use the purchasing portfolio in order to understand how the buyer views the seller and its solution. Based on this input, the seller would discover their position in the buyer’s portfolio, which could help them in navigating towards the position that they are aiming at. Secondly, the seller could use the purchasing portfolio in an inverse fashion: as a tool for categorising potential customers, i.e. segmenting the targeted buyers based on the purchasing portfolio. In the event that the seller does not have the resources to pursue additional relational business engagements (partnerships), they could aim at a non-relational business engagement with the buyer, or vice versa (i.e. if the seller has resources available, it could consider aiming at a relational business engagement with a potential buyer).

Adaptation can occur on different levels, including personal, product, process, company or network level. Furthermore, it can involve adjustments and changes in areas
involving behaviour, procedure, and mindset. This study focuses on adaptation of processes – the sales process in particular – in a way that connects this process to the seller and buyer’s mindsets. In contrast to adaptive selling, for example, which mainly includes behavioural modifications to accommodate the buyer’s needs and requirements, this study focuses on adaptation of the sales process and proposes that adaptation be strategic – combining both mindset and strategy.

In contrast to viewing adaptation as an activity or process that remains within the seller’s domain, this study also involves the buyer in adaptation. The seller is regarded as primarily responsible for adaptation, and thereby bearing the main responsibility and interest for this. Since the aim of adaptation is to achieve a result that is more than a ‘sum of the parts’, i.e. to gain mutual added value for the parties involved in the relationship, the seller is recommended to involve the buyer in adaptation. Involving the buyer, especially in situations similar to the case studied, may be challenging. In order that a buyer gains a more positive attitude towards facilitating the seller’s adaptation, this may require the seller to educate the buyer in the principles of value creation. Through increasing the buyer’s relationship orientation, the seller could contribute to the mutual value creation that could result in considerable advantages for both parties.

In general, most adaptation conducted by the seller can be categorised as being ad-hoc or reactive (Schmidt et al. 2007). As the findings of the empirical data point out, ad-hoc adaptations usually become costly. The fact that such adaptations become costly is not necessarily related to the adaptations per se, rather the costs are often related to the nature of these adaptations: ad-hoc adaptations are generally poorly planned and often carried out when under pressure. This suggests that it could be the lack of time and coordination that cause problems and result in higher costs. This research provides implications for the seller concerning how to avoid the trap of ad-hoc adaptations. Instead of being trapped in such adaptations, the seller could enter the zone of reactive adaptations by the means of increasing the adaptability of the sales process. Additionally, through pursuing an increased level of knowledge with regard to the buyer’s buying process, the seller could progress from reactive adaptation to strategic adaptation. However, the seller is recommended to invest in strategic adaptation only when pursuing a value-based business engagement with the buyer is justified and when it ‘makes sense’ for the seller, the buyer and the projected relationship.

Implications for the buyer

This research expands the usage of the purchasing portfolio that is developed to help the buyer in categorising its suppliers (Kraljic 1983); the purchasing portfolio can be used to help the seller to position themselves in the buyer’s portfolio. By informing the seller how they categorise the purchase, and thereby the seller and the seller’s offering, the buyer can to some extent affect the seller’s adaptation during the relationship initiation. However, this study emphasises the concept of relationship orientation as a mindset, rather than the buyer using the purchasing portfolio as a tactical means for buying. It is assumed that the buyer will not falsify a seller’s position in the purchasing portfolio if it does not correspond with how the buyer actually views the seller and its product, service or solution.

Instead of vaguely emphasising relationship orientation between the parties, this research has provided some implications for the buyer in terms of how relationship orientation could be operationalised. The findings of the empirical data emphasise that more openness from the buyer to the seller could benefit both parties. Hence, this study
recommends that the buyer facilitate the seller’s sales process adaptation by the means of supporting the seller in developing their knowledge of the buyer’s buying process. This would improve the seller’s chances of adapting their sales process to the buyer’s buying process, from which both parties could benefit.

As the findings of the empirical data revealed, an ‘at arm’s length’ buying approach is sometimes adopted in order to lower the possible risks involved with ‘letting the seller come too close’ to the buyer. Such risks can include that the seller, in an attempt to influence them to become favourable towards the seller and the seller’s offering, contacts the members of the buying team directly. Risks involved could also include that the seller would leak information regarding the buyer’s plans to the buyer’s competitors. Additionally, the buyer may consider becoming overly dependent on the seller a risk. This study has shown how the risks related to the seller’s misuse of the buyer’s openness could be contained. Facilitating the seller’s adaptation does not necessarily have to mean automatically higher risks for the buyer. Facilitating the adaptation of the seller’s sales process does not require providing the seller with the contact details of the members of the buying team or of the decision makers. The buyer can simply explain how the buying process is structured, what activities and actions the buyer plans to take, and when. Aiding the seller’s adaptation can result in an increase in the strategic value of the purchase and the service that it enables, which is likely increase the value of the relationship.

Implications for the seller-buyer relationship

As the findings of the empirical data have shown, relationship orientation can result in considerable advantages for both parties. Relationship orientation conducted by the means of strategic adaptation of the sales process to the buying process can shorten sales cycles, improve resource allocation, result in a faster ROI, and strengthen the projected relationship. Consequently, a shorter sales process could result in the buyer being able to launch the service to its customers sooner: faster time to market, which is a key selling point particularly in the field of mobile telecommunications where the life cycle of services is affected by the constant addition of technological innovations. A faster ROI and strengthening of future relationships are important aspects that can affect the seller-buyer partnership when in competition with other companies — or other buyer-seller partnerships — who are offering similar services to customers in the same market segments.

Environmental implications

Improvements in resource allocation, planning and higher efficiency in sales and buying can produce positive environmental implications. An improved resource allocation can result in a more careful planning in terms of production and manufacturing, which can result in less waste and a more efficient utilisation of raw materials, energy, and other resources. Improved planning could mean for example that companies would be able to choose more environmentally friendly means of transportation for people, goods and data, as compared to when doing things in an ad-hoc manner and at short notice. For example, instead of choosing travelling and deliveries made by air, having more lead-time allows for choosing a more environmentally friendly means of travel and transportation.

Adaptation of the sales process to the buying process and matching the mindsets of the seller and the buyer can result in fewer misunderstandings and conflicts. This is an important aspect of adaptation, since resolving conflicts, during the relationship
initiation stage in particular, often requires the seller to send a sales or executive team to the buyer's facilities in order to resolve the conflict. Strategic adaptation can result in improved planning, which generally lowers the risk for misunderstandings between the parties during the sales and buying processes, thereby reducing the risk of the seller having to send people or teams on an ad-hoc basis in order to resolve issues that could have been prevented from occurring.

5.5. Limitations of the study

As with research in general, also this study has various limitations. Some limitations are intentional and are related to the qualitative orientation of this study. Other limitations are related to the research setting, the definitions used in this study, and its scope.

In this study, findings from the review of relationship marketing, sales & sales management, and purchasing literature on one hand, and the findings of the empirical data on the other hand, act as foundation for the framework development. The selection of the literature and empirical data that were reviewed was based on the context in which the phenomenon of relationship orientation of the sales process was studied.

In order to conduct this study, I chose a qualitative research approach and methods. Data was gathered through semi-structured in-depth interviews with key informants. The case and informants were purposefully selected. Hence, the case study does not allow generalisation in a statistical sense, rather the focus is on the extrapolation of findings and results to other similar settings. Drawing from my constructivist view (based on which reality is constructed), each case is to a certain extent unique. In the case studied it was constructed by and between the seller and buyer. Based on my preunderstanding from having been involved in sales and relationship initiation between sellers and buyers, situations that are similar to those in the case studied often occur. Hence, the case should not be considered unique in a way that would hinder the extrapolation of the findings and results to similar situations, even to other industries. Had I selected another case, I might have had to change the criteria used in the sampling process, which in turn might have affected the findings. Applying the set of sampling criteria that was used in this study, it seems unlikely that studying a larger sample of informants or studying additional cases would have resulted in findings that are considerably different to those as presented in this study. However, this is an assumption that could deserve being verified.

In the case that was studied, the seller did not follow a formalised sales process. Based on my preunderstanding (including experience from various industries), the scenario where a small selling company does not have or follow a formalised sales process is quite common. The degree of formalisation of the sales process does not provide an indication of relationship orientation; a company that follows a formalised sales process can be either relationship or transaction oriented. The main focus of this study however, was not on how formalised a sales process the seller follows, but rather to explore relationship orientation of the sales and the sales process by the means of adaptation. Within the context of this study, it was understood that adaptability requires some degree of formality and flexibility of the sales process. Hence, even if the seller in the case studied would have followed a somewhat more formalised sales process, it could be assumed that some of the key findings of this study (especially with regard to that relationship orientation and adaptation of the sales process to the buying
process can result in considerable advantages for the parties involved) would largely apply, even if another case had been chosen.

Additionally, the scope of the advantages that may be achieved through relationship orientation through adaptation (which includes the buyer’s facilitation of the seller’s adaptation) and their impact on relationship initiation could vary between different cases. For example, when the buyer also adopts a relationship-oriented mindset and facilitates adaptation, this is probably more meaningful (i.e. has a stronger impact) for a seller’s sales process adaptation where the seller has little previous knowledge of the buyer’s buying process, as opposed to a situation where the seller already possesses in-depth knowledge of the buyer’s buying process. Although the scope and impact of adaptation can vary between one case and another, it may be assumed that the general outcomes of this study would largely still apply (i.e. that adopting a relationship-oriented mindset and adaptation can result in considerable advantages and benefits for the parties involved).

There are some research topics (that were chosen for this study to explore the themes understanding, combination and replacing), which could have been studied through quantitative methods instead of through qualitative ones. This could have resulted in data that would have been easier to interpret. Such topics might have included for example questions regarding whether or not a sales process was applied, or if the processes could be combined. This could have generated data that would have been more straightforward and ‘more to the point’. However, researching these topics through quantitative methods could result in data that might not be as rich when compared to data collected through qualitative methods.

Relationships can be studied from different perspectives and by focusing on different aspects. The decision to study relationship orientation through adaptation, which is a central aspect of relationships and relationship orientation, constitutes an intentional limitation. Choosing another aspect could have been equally possible. The reason for choosing adaptation as a focal point is that it represents a process of changing something already existing into something else, and that it mentally connects to relationship orientation as a mindset.

Regarding the study of adaptation, some limitations were made. Adaptation can occur on various levels, there are different types, and it may take various forms (e.g. Brennan & Turnbull 1999; Holma 2009). Additionally, adaptation can be conducted by the seller or buyer, and it can be regarded as being dyadic or triadic (Holma 2009). Hence, adaptation can be studied in a wide variety of ways. In this study, adaptation is regarded as a process that involves behavioural changes and modifications that are connected to a mindset. In other words, in contrast to sales literature in general, which usually focuses on adaptation as behavioural changes that are conducted by a salesperson, this study focuses on the adaptation of the sales process itself, thereby linking adaptation to a mindset.

In this study, sales predominantly refers to consultative sales (e.g. Rackham & DeVincentis 1998). In other words, transactional sales, a term which is often applied to standardised goods and in mature markets, as well as to enterprise sales, and which may be appropriate primarily for very large and strategic business-to-business sales (Rackham & DeVincentis 1998), are both beyond the main scope of this study. Furthermore, as understood in this study, sales refers to the first sale, not repeat sales, account management or key account management.
The sales process, as understood in this study, likewise constitutes a limitation. Marketing and sales literature mostly present sales processes that are divided into a set of predefined stages that the salesperson passes through during the process of selling (the so-called ‘selling process’). Instead of focusing on the actions that a salesperson conducts in the stages of the selling process, this study focuses on a higher level of abstraction: the sales process is regarded as a system of elements and stages or activities (including actions). In other words, the sales process (as referred to in this study) does not provide normative guidance to the salesperson in a similar fashion as a traditional selling process would provide.

As proposed in this study, the sales process optimally mirrors the buying process (cf. ‘mirror-image’; Comer 1991; following buyer’s buying process: Rackham & DeVincentis 1998). Thus, the sales process as viewed in this study constitutes a holistic process. Although the sales process is viewed from the seller’s perspective, its process and view take the buyer’s buying process into consideration. Furthermore, this study focuses on the sales process in the context of personal selling, thereby not including automated selling, which constitutes another type of selling where salespeople are not necessarily involved (Sheth & Sharma 2008).

By focusing on a business-to-business context, a limitation that was made included studying the phenomenon of strategic sales process adaptation as conducted by and between selling and buying companies. Other contexts in which adaptation could be studied include the business-to-consumer scenario. It is possible that choosing a context other than business-to-business context for this study could affect the findings and results. Drawing from my constructivist approach based on which each case is unique, choosing another context could affect the results in one way or the other. However, based on that I arrived at the results presented in this study through reviewing and analysing both literature and empirical data (that was collected from individuals who referred to a situation that seems to reflect rather typical scenarios), it could be assumed that instead of arriving at contradictory results by choosing another context, this could instead result in more detailed nuances of adaptation.

Although this study examined a case study consisting of a complete relationship initiation between a seller and a buyer, it was conducted in retrospect. Instead of constituting a continuous story or a ‘narrative’ of the sales process and adaptations that were conducted during relationship initiation, the study instead provides a picture or a ‘snapshot’ of what occurred. Hence, the alternative ways to study the case could include longitudinal research, perhaps through management action research (Gummesson 2000). This could provide a more in-depth and even richer data set, resulting in more detailed findings.

Although this study primarily takes the perspective of the seller, it takes both the seller and the buyer into consideration. If studied only from the seller or buyer’s perspective, this could affect the findings and results. However, the aim of this study was to improve relationship orientation of the sales process, and relationship orientation involves taking both the seller and buyer into consideration.

5.6. Suggestions for further research

Providing a ‘snapshot’ of a relationship initiation on which data were collected in retrospective, this study may not properly capture all of the dynamics that the strategic adaptation of the sales process involves. In order to focus on the dynamics, rather than
conducting a case study in retrospect, a longitudinal study of strategic sales process adaptation may be more appropriate. Moreover, the longitudinal study could be conducted as action research by the means of direct participation in a case or in a number of cases. By studying more than one case, the assumption that the case studied is not unique in a sense that would prevent extrapolation from the findings to other situations could also be tested. Directly participating in the cases could also enable the testing of various levels of relationship orientation and different types of adaptation for different types of purchases. Furthermore, adaptation could be studied on various levels: relationship, organisation, team and individual. This could result in more in-depth and detailed knowledge being uncovered with regard to the strategic adaptation of the sales process in various situations and settings. Hence, in order to better capture the dynamics of the framework, it is suggested that the findings and results of this study be compared with the results of a longitudinal study by the means of action research.

The framework for strategic sales process adaptation resulting from this research, has been on findings from literature and through empirical data gathered from the telecommunications industry. Thus, the framework and resulting knowledge could be tested in other buyer-seller settings in industries other than telecommunications as well. This could, for example, provide more in-depth knowledge and enable a closer examination of the area of reactive adaptation in strategic sales process adaptation. This could in turn provide guidance for specifying the three areas in layer three ‘adaptation of sales process’ of the framework in further detail. It is possible that the differences between various types of reactive adaptation (e.g. situations where the adaptability of the sales process is high and knowledge of the buying process is low, or adaptability of sales process is low and the knowledge of the buying process is high) are considerable to the extent that they should be divided into two separate categories. This possibility may deserve closer inspection.

This study underpins the importance of the adaptability of the sales process as a central aspect of strategic adaptation of the sales process. Traditional selling processes are predominantly formalised (e.g. Dubinsky 1980/81), although some flexibility has later been included (Moncrief & Marshall 2005). Additionally, some sales approaches discard the selling process and instead follow the buyer’s buying process (Rackham & DeVincentis 1998). As recognised in research, there is a need for a relationship-oriented sales process (Sheth & Sharma 2008). As recognised in research, there is a need for a relationship-oriented sales process (Sheth & Sharma 2008). In this study it is pointed out that an adaptable sales process should simultaneously be formalised, without restricting flexibility, which adaptation requires. Further research is needed in order to design and develop such a sales process. Thus, constructing an adaptable sales process (including formality and flexibility that is linked to a relationship-oriented mindset and thereby takes the buyer’s buying process into consideration) could be a subject for further study.

Furthermore, strategic sales process adaptation is influenced by the seller’s knowledge of the buyer’s buying process. This clearly combines two aspects related to both the seller and buyer. Although it is mainly the seller’s responsibility to gather knowledge of the buyer’s buying process, the buyer could facilitate this. At least two topics could be studied more in depth: what type of information and from whom does the seller need to obtain this in order to optimally adapt; and how could the buyer optimally support the seller in the process of adaptation, without the buyer actually conducting the work for the seller.
In this study, it is proposed that, in some situations, the seller may have to educate the buyer in terms of the advantages and value creation in which adopting a relationship oriented mindset could result. This is an area that may deserve being studied further and in more detail. In other words, how the seller could progress in educating the buyer about the adoption of a relationship-oriented mindset could be researched. Moreover, different value types that may result could also be examined.

To conclude, I have chosen to construct a framework consisting of three components or layers. This results in a comprehensive view and linkage of the relationship orientation mindset with adaptation forming the strategy and providing the means for relationship orientation. I could have focused on the layer strategic sales process adaptation in particular, and analysed it more in depth a single layer in the model, but this remains a task for future researchers.
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