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How salespeople facilitate buyers' resource availability to enhance seller outcomes

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ABSTRACT

Positive outcomes for buyers and sellers occur when the partners readily make their resources available and integrate those resources in a beneficial relationship. This research investigates how salespeople facilitate the use of these buyer resources. Taking the seller's perspective, this study examines the effect that the salesperson's interaction activities, and the availability of buyer resources, have on relationship outcomes.

Using interviews with managers and a literature review, the study develops and tests a conceptual model and measures for three constructs: the salesperson's focus on interaction; availability of buyer's resources; and relationship financial performance. The salesperson's interaction focus influences the availability of buyer resources, which also influences the financial performance of the relationship. This research shows the importance of salespeople being cognizant of many resources in the buyer–seller relationship including those of the buyer. The findings are useful for managers in managing buyer–seller relationships and in training salespeople to focus on what resources customers can offer sellers.

1. Introduction

Understanding the role of salespeople in building business-to business relationships and appreciating the effect of these relationships on firm performance are important concerns for managers. Positive performance outcomes in a business-to-business buyer–seller relationship occur for both partners in a trusting and communicative environment. In such environments, supplier–buyer interaction is vital in enhancing performance through value creation (Grönroos, 2011). Salespeople, as important market actors, can contribute substantially to firm performance by focusing on relationship building through interaction (Geiger & Finch, 2009) and with less emphasis on transactional selling (Jones, Brown, Zoltners, & Weitz, 2005). However, relationship building is just one of the many roles performed by salespeople (Wotruba, 1996) and often requires a different mindset from the traditional notion of a salesperson (Davies, Ryals, & Holt, 2010).

The extant literature on salespeople as boundary spanners does not fully reflect the contemporary function of salespeople in value creation (Franke & Park, 2006). The sales function is moving away from this independent role towards a more cross-functional disposition (Storbacka, Polsa, & Sääkjärvi, 2011). Customer interaction by salespeople can not only build better relationships and enhance performance, but also allow salespeople to better mobilize resources that exist outside the firm. Baraldi, Gressetvold, and Harrison (2012) show that it is how firms use such resources which can facilitate the availability and hence the integration of resources between relationship partners.

The study described in this paper therefore investigates how salespeople focus on interaction that will facilitate the use of buyers' resources in value creation, and examines two questions that the extant literature does not appear to clearly answer. The first research question is to what extent does this focus by salespeople on relevant relationship interaction with the buyer aid financial performance for the seller. Therefore, the second research question concerns what salespersons' relationship-building activities are relevant in accessing buyer resources. Aligned to this question is does the availability of the buyer's resources directly affect a firm's financial performance, the third research question.

In order to answer these questions, the study examines the salesperson's level of relationship integration focus (Gadde, Hjelmgren, & Skarp, 2012; Zhang, Baxter, & Glynn, 2011) and develops suitable measures specific to this study for its other two constructs, which are firstly the availability of buyer's resources and secondly the relationship financial performance. The study assesses the three main constructs and the relationships between them, as expressed in a proposed conceptual model. This conceptual model is underpinned by the IMP's (Industrial Marketing and Purchasing) interaction model (Håkansson & Snehota, 2000). The conceptual framework presented is based on the IMP ARA concepts (actor bonds, resource ties, and activity links), and on the sales literature.

As Lenney and Easton (2009) point out, the ARA model not only links these concepts together, but also illustrates the mechanisms behind such relationships, which can be applied to different levels both within and between firms. Salespeople as actors through their selling activities, use both firm and customer resources to enhance

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the performance of the firm. The conceptual framework applies the ARA model at the boundary spanning level of the firm. Salespeople are important resource ties and through their sales activities link to customers and their resources and by building relationship and continuity (actor bonds). Thus, the role of the salesperson develops beyond order taking and has become a more strategic focus (Storbacka, Ryals, Davies, & Nenonen, 2009) in the business-to-business relationship. The study described in this paper takes the position of the salesperson as an individual actor with a "performative" role (Araujo, Kjellberg, & Spencer, 2008) in shaping markets and relationships through interaction between buyer and seller. As actors, salespeople have control over some resources and influence other actors both outside and within the organization. Thus salespeople as actors are important boundary spanners, who facilitate buyer–seller relationships and exchanges and as market shapers.

The study contributes to the literature by demonstrating firstly the effect on relationship performance of a salesperson's focus on activities that facilitate interaction and hence the exchange of resources (Waluszewski, Hadjikhani, & Baraldi, 2009). Successful combinations of resources of both supplier and customer are important in value creation (Cantù, Corsaro, & Snehota, 2012). Secondly, the study shows the particular importance of the salesperson's focus on relationship activities in indirectly affecting the performance outcome by facilitating the availability of a buyer's resources to the seller. Availability of a buyer's resources and their use is an important contributing construct in the creation of value in a buyer–seller relationship (Turnbull, Ford, & Cunningham, 1996).

This paper proceeds as follows. First, the conceptual framework of the study and relevant literature are presented: this section of the paper describes the conceptual development of the study, including the overall structure of the model that the study tests and each of its three main constructs. Second, from this discussion the hypotheses are developed followed by a description of the method for model testing, including measure development, data collection, data analysis and findings. The paper finishes with a discussion of the findings and the managerial implications.

2. Literature review

2.1. Conceptual model

The conceptual model was developed from some preliminary interviews and a literature search. Buyer's resources are an important part of the overall resources for value creation in a relationship. The buyer and the seller each require access to the other's technologies in order to optimally deal with their problems and opportunities (Ford, 2011). However, the existing literature has not specifically investigated the role of the salesperson in accessing buyer's resources and their effect on the relationship's financial performance for the seller. This study therefore focuses on examining the influence of salespeople on this issue because they work closely with customers and condition the way the relationships are developed (Guesalaga & Johnson, 2010). In support of this investigation, Grönroos (2011) argues that boundary personnel play a critical role in making use of the interaction platform for relationship value co-creation. Sales researchers have traditionally investigated selling skills from a transactional proficiency perspective (Rentz, Shepherd, Tashchian, Dabholkar, & Ladd, 2002). Research is also needed to explore the role of the sales force in co-creating value with customers (Avlonitis & Panagopoulos, 2010). This value co-creation is associated with inter-firm resource integration and thus is associated with gaining access to, and making use of, the buyer's resources. As one of our interviewees, an ICT system provider, noted, "the more time you can spend inside a customer organization, getting to know them, the more you may recognize things or issues that they have, where you have capability that could solve and deliver value there …".

The buyer–seller relationship gives a firm access to a resource collection with an increased variety and variability, which potentially can lead to innovations (Håkansson & Snehota, 1995), and to high relationship performance. Evidence from research shows that a higher level of resource availability to the relationship is likely to be associated with better relationship outcomes for the firms in the relationship. For example, Tuli, Kohli, and Bharadwaj (2007) find that when suppliers allocate employees to relationships who have specific expertise in the customers' needs, they are likely to be able to identify accurately their customers' recognized, unrecognized, and future requirements. The solution co-creation process is thereby likely to be efficient and effective through this allocation of superior human resource. Similarly, when customers invest resources in the relationship, the outcomes of the relationship are likely to improve. Humphreys, Li, and Chan (2004) show in their supply chain study that the buyer's relationship-specific investments, such as providing the supplier with equipment or tools for process improvement or providing the supplier with capital for new investments at their facilities, are associated with supplier performance improvement measured from the buyer's viewpoint, buyer competitive advantage, and buyer–supplier relationship improvement. In the words of one of our interviewees, a recruitment and consultant company executive, "Then once you start to know your business quite well and your clients … you can look at ways in which you can add value to that relationship."

Thus, based on the literature discussed above and the study's interviews, the research model for this study is as in Fig. 1. The model proposes that the level at which the salesperson focuses on relationship-building activities relevant to building resource availability and exchange has a positive effect on relationship performance for the seller, both directly and also indirectly through the effect that the salesperson has on availability of the buyer's resources to the seller. Fig. 1 also shows the dimensions of the scale for the construct named the "salesperson's customer interaction focus".

We next describe the model's three main constructs: the salesperson's customer interaction focus; the seller's perception of relationship performance; and the availability of the buyer's resources to the seller through the relationship.

2.1.1. Salesperson's focus on interaction

We define the salesperson's interaction focus as the level at which the salesperson engages in activities that promote interaction in a relationship and that favor the exchange and integration of resources, thereby aiding the creation of value (Hammervoll, 2012). We utilize a set of dimensions, which are the set of activities a salesperson will work on if they have a focus on interaction and on integration of resources. This "focus" is an indication of the individual's allocation of their attentional resources to a relationship. "All purpose-directed behavior – acting – requires some framing of the situations by the actor" (Håkansson & Snehota, 1995, page 194). It is therefore of interest to identify relevant frames within which salespeople can successfully work, which our study helps to do by utilizing a set of dimensions of a salesperson's focus on interaction and demonstrating a performance outcome.

The dimensions of the salesperson's focus on interaction used in the study appear in Fig. 1: learning about the seller's (their own firm's) resources; learning about the buyer; customer contact; service; adaptive selling activities; and coordination (Zhang et al., 2011). In the following paragraphs, we provide brief domain descriptions of the six dimensions, the measures for which appear in Table 5. Many of these dimensions address the intra-organizational aspects of selling (Madhavaram & McDonald, 2010) and capture both the long term and short term aspects of the sales–customer interface. In different selling contexts, these long-term and short-term aims could have both positive or negative outcomes.

The salesperson's activity "learning about the seller's resources" is the level of effort the salesperson devotes to improving knowledge