

**You and Me and the In-Between:
What sales professionals know about their clients
and their client relationships.
A grounded analysis.**

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I hereby certify that this material, which I now submit for assessment on the programme of study leading to the award of PhD in Marketing, is entirely my own work and has not been taken from the work of others save and to the extent that such work has been cited and acknowledged within the text of my work.

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This work has come into existence with the support and encouragement of many friends, colleagues and family members. Throughout the entire process, my supervisor Dr. Darach Turley has shown me that true scholarship not only stands for academic wisdom and an acute concern for human practices, but that true scholarship can also contain compassion, patience and the generosity to share one's erudition with others. Darach, I cannot thank you enough for the valuable lessons you gave me in these matters and many more.

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Note on the use of personal pronouns:

The author of this thesis is aware of the fact that buyers as well as sellers can be of either gender. For purposes of clarity, throughout this thesis the pronoun 'she' will refer to sellers and the pronoun 'he' to buyers.

Abstract of the PhD thesis

“You and Me and the In-Between: What sales people know about their clients and about their client relationships. A grounded analysis.”

submitted by Susi Geiger

This PhD dissertation draws from philosophical and psychological arguments as well as from current discussions in knowledge management to put forward a conception of sales people’s customer knowledge as tacit, situational, pragmatic and action-related. Depth-interviews and observational methods are used to examine the nature of sales people’s customer knowledge; data are analysed following the grounded theory method. The empirical investigation establishes that a sales person’s knowledge of the client cannot be dissected from the relationship in which it is created and put to use. The sales person knows her customers in and through the relationship she builds and maintains with them; customer knowledge is first and foremost relational knowledge. Such relational knowledge is social in nature and it is almost exclusively experiential knowledge: it is built up, developed and changed during the interaction with the client. This view of customer knowledge sheds a new light on such issues as the use of sales automation tools, sales team interaction and sales training; most crucially, it broadens the existing cognitive selling paradigm to take account of the social construction of the sales encounter.

Since ultimate truth is such a long way off, it seems as inappropriate to try to capture it by, say five o'clock on Tuesday as it is to claim we already have it in our grasp. Thus any proposition we contrive must be regarded as a crude formulation of a question which, at best, can serve only as an invitation to further inquiry.

George Kelly, 1970

1 Introduction

1.1 Knowledge practices in sales and marketing departments

In 1996, knowledge management was heralded as the 'Next Big Trend' in the business literature (Schrage 1996, p. 37). Five years on, the surge of articles on 'The collective power of employee knowledge' (Martinez 1998) or 'The Role of Knowledge Facilitators and Inhibitors' (Stonehouse, Pemberton and Barber 2001) has levelled out, but the importance attached to a firm's intellectual assets is all but diminishing in today's information-based society. In the academic literature, the heightened interest in all things intellectual in the workplace has extended to areas such as research and development (Leonard-Barton 1995), computer departments (Nelson and Coopridge 1996) and accountancy (Davis 2000); it has also given rise to a profound review of processes of knowledge generation and cognition at the individual, group and organisational levels of investigation.

In contrast, marketing and sales have been rather slow to adopt recent findings in relation to information and knowledge. Although it is almost a truism for market-driven organisations that knowledge of the firm's customers and of their needs and requirements is the single most critical factor for sales success, it seems that both areas still rely on traditional approaches to market intelligence. The much praised "One-to-One Future" (Peppers and Rogers 1993) in marketing and sales comes along too often as more of the same: more and bigger customer databases, more extensive marketing research and more intensive use of information technology. As a source of information of a firm's customers and their needs, sales personnel have been either decried or ignored (Fouss and Solomon 1980; Lambert, Marmorstein and Sharma 1990b). Even in business-to-business selling, where sales staff have daily face-to-face contact with a

firm's customer base, common practices of knowledge externalisation and exchange in the sales department do not seem adjusted to mining sales people's insights of the customer. For one, most companies have no formal procedures in place that would encourage sales people to externalise their customer knowledge. In most cases, sales people are not rewarded for sharing their knowledge or contributing their insights for marketing purposes (Sharma and Lambert 1994). In addition, if sales and marketing databases and automation systems are used, most companies satisfy themselves with gathering 'hard facts' such as address details, budget figures, or demographic information from the sales force. Less standardised data and qualitative insights are rarely catered for by these tools (Davenport 1998). As an aggravating factor, informal information exchange between individuals occurs less frequently in sales than in other departments due to the boundary position of sales personnel (Dubinsky et al. 1986). Thus, knowledge that is not recorded in customer databases is likely to remain at the individual level if opportunities to share it with other sales reps are not institutionalised.

In summary, it appears that particularly the 'soft' customer knowledge a sales person holds is almost fully ignored in many sales departments. Such neglect not only limits the possibilities for a company to leverage their customer intelligence; it could even lead to significant financial damage when responsibilities within the organisation change or when the holder of the information leaves the company. Hence, it is time to thoroughly review the basic notions of customer knowledge in sales organisations and to examine the applicability of recent findings from the knowledge management literature in the sales arena.

1.2 Sales people as knowledge workers

The present research proposes to model personal selling as a knowledge-based activity and sales people as knowledge workers. In their day-to-day interaction with the

customer, sales personnel gain priceless insight into aspects such as a customer's personality, likes and dislikes, their process requirements or their position in formal and informal networks. This dissertation suggests that sales people themselves are often not aware of the extent of the insights they build up in the face-to-face sales interaction and that this 'tacit' knowledge of the customer may account for an important part of the relational skills displayed by successful sales people. If it is externalised and shared within the organisation, such knowledge can be a most precious aid for a company in developing truly customer-oriented marketing and sales strategies.

In the literature, reflections on sales people's knowledge so far have mostly focused on cognitive structures at the individual level. While virtually no research has tackled the issue of knowledge sharing processes in sales teams, there is a considerable body of literature in the so-called cognitive selling paradigm, which will be reviewed in chapter three. Although studies based on this framework yield valuable insight into the relationship between individual knowledge structures and sales performance, implicit in all these studies is the assumption that individual knowledge structures can be abstracted from social and individual aspects, objectified and compared. Human knowledge is viewed as part of a simple input-output process: more or 'better' or more detailed knowledge leads to better outcomes, and more or better knowledge is itself seen as a function of an individual's information processing capacities and cognitive abilities.

However, a review of research in philosophy and cognitive psychology shows that radically different accounts of the nature of human knowledge exist. In some of these accounts, knowledge is conceptualised as:

Pragmatic (von Glasersfeld 1995): what individuals attend to during interactions with others is an indication of how they assess the cognitive requirements for purposeful

action within a particular situation; it does not necessarily signal the degree of accuracy of their cognitive structures.

Individual (Maturana and Varela 1980): two individuals attend to different aspects of the environment and assimilate them differently within their pre-existing knowledge. Obtaining knowledge structures from two individuals will therefore reveal two versions of the 'same' reality.

Negotiated (Berger and Luckmann 1967): during their interactions, two individuals build a shared sense of reality as basis for future interaction. Accounts of these individuals can be viewed as an expression of the unique relationship they establish.

Situated (Clancey 1997a): an individual's cognitive structures are constantly adapted to situational demands; learning occurs as a corollary of the activation of these structures. This means that any static representation of knowledge can never fully reflect a person's 'live' knowledge structures.

The applicability of such alternative frameworks of human cognition to the sales interaction has not yet been investigated – a gap the present dissertation proposes to fill.

1.3 Researching alternative accounts of sales people's customer knowledge

Considering the narrow focus cognitive selling research has taken over the past decades and the evolution of alternative conceptualisations of knowledge outside sales research, an inductive approach to studying sales people's customer knowledge seems necessary in order to ascertain whether such alternative frameworks are pertinent to the sales arena. Four areas of investigation appear to be relevant to such an investigation:

Sales people's knowledge generation: How does a sales person get to know a customer? Why do some sales people seem to be more skilful in picking up even very

it was felt that the detail and the significance of sales staff's customer insights would be greater in situations where sales professionals and clients interact frequently and at times intensely. A second decision was made to confine the study to sales professionals' knowledge accounts and not to try to match their knowledge structures to the 'realities' they are supposed to depict. Such a course of action would not only be highly unusual for a study of individual knowledge structures, it would also assume that knowledge structures can be verified according to external truth criteria. As the discussion in chapter two will show, the establishment of such criteria is rather questionable.

A meticulous and iterative analysis of the data collected reveals that schema-theoretical approaches indeed fail to capture the essence of sales people's knowing in a business-to-business environment. As will be shown, the findings of this thesis complement and refocus extant cognitive selling research in exposing the situated and relational nature of sales people's customer knowledge.

1.4 Summary of content

This thesis is divided in three sections. **Section A (chapters two to five)** develops the theoretical foundation of the study, presents a summary of the literature conducted in the cognitive selling paradigm and gives details on the methodological framework adopted for the empirical investigation. **Section B (chapters six to thirteen)** presents the empirical investigation and **section C (chapters fourteen to fifteen)** consists of the theoretical discussion and concluding remarks.

Chapter two presents an overview of the major developments in the philosophy of knowledge. It shows that the naïve view of human knowledge as a true representation of what is 'out there' in the world has been cast in doubt almost from the beginning of

philosophical investigation by streams such as scepticism, pragmatism or constructivism.

Chapter three continues this discussion by exploring different developments in cognitive psychology. It is noted that the predominant framework in this area, schema theory and its offshoots, rests on a deterministic stance towards human thinking: human beings are depicted as (boundedly) rational agents who have access to an objective outside and possess the processing power to convert this objective outside into a corresponding inside. However, theories such as the situated action framework have begun to challenge this assumption and to undermine our understanding of the mind as a computer-like device. A review of extant research in the cognitive selling paradigm demonstrates that this area has not yet taken note of such challenges of its very foundation.

Chapter four briefly reviews the burgeoning literature on knowledge management. It confirms the identification of four areas of concern for an investigation of organisational knowledge practices as outlined above, namely the development and the use of such knowledge as well as mechanisms of sharing and distributing knowledge in the group or via information technology. This discussion also indicates that unlike academics working in the cognitive selling paradigm, some knowledge management researchers have gone back to philosophical and psychological sources and taken account of discrepant conceptualisations of human cognition.

Chapter five develops a methodology to investigate sales people's customer knowledge. The grounded theory method is presented and critically appraised. Even though it has received some criticism in the academic community, this method appears to be the most advantageous methodological framework for the present investigation.

However, the author of this thesis also describes the liberties she took to adapt the framework to the circumstances of the present research.

Chapter six introduces the research setting as well as the end result of the empirical analysis, a theoretical framework of sales people's customer knowledge. This model is used as an index to guide the reader through the subsequent chapters.

The detailed analysis in these chapters demonstrates that in the field, the investigation of sales people's customer knowledge (presented in **chapter seven**), has taken on a whole new dimension, a dimension that is deliberated on at length in **chapter eight** and condensed by the term 'In-Between' in the thesis title. **Chapter nine** explores the consequences this new perspective on customer knowledge holds for skill requirements and sales training. **Chapter ten** looks at issues of knowledge development and cultivation strategies and thus adds a processual layer to the framework. **Chapter eleven** examines the immediate context of sales people's customer knowledge, that is the role of the sales team and mechanisms of personal or electronic information sharing, while **chapter twelve** considers broader environmental influences affecting sales people's customer relationships. **Chapter thirteen** concludes the empirical part of the thesis by exploring the fundamental consequences of knowledge processes as portrayed in this section.

The discussion in **chapter fourteen** attaches a theoretical dimension to the empirical framework by exploring possible explanations of sales people's knowledge-related activities; specifically, this chapter compares findings from social psychology and social exchange theory to the empirical analysis of sales people's customer knowledge.

Chapter fifteen rounds off this thesis by providing a summary of the dissertation and by assessing the validity and the limitations of the research carried out. A final evaluation of the study's methodological and managerial implications as well as its

significance for future research will provide the reader with a means to determine the usefulness and import of this dissertation for both academic and managerial audiences.

Section A: Prolegomena

2 Defining Knowledge – Philosophy’s answer

2.1 Knowledge that mirrors the world - the traditional view

2.1.1 *How do we know what we believe we know?*

Questions about the nature of knowledge are as old as the human capacity for intellectual reflection itself. Epistemology, the branch of philosophy concerned with the nature of knowledge, has always been characterised by the quest for a grounding of what humans believe to be true on the one hand and the concomitant doubt of the existence of such a basis on the other. Sceptic questioning as to whether any knowledge is possible at all is as old as the theory of knowledge itself and seems to be an integral part of it. We owe to Plato the most impressive image of the relativity of our knowledge: the famous metaphor of the cave. What if our knowledge of the world is just a game of shadows made visible by a faint light that enters the cave, without any possibility to catch a glimpse of the outside? In order to lay a foundation for the study of sales people’s customer knowledge it seems appropriate to listen to the voices of philosophers and find out what human beings know and how they come to know.

Traditionally, knowledge has been defined as ‘justified true belief’. This tripartite definition or ‘standard analysis of knowledge’ (Audi 1995) sets knowledge in relation to

- a) ourselves: knowledge is what we *believe* to be true;
- b) other minds: we have to be able to substantiate our beliefs;
- c) the world ‘outside’: the truth value claims that there is correspondence between our beliefs and a reality independent of our minds.

This trifold definition has long been considered necessary and sufficient to define knowledge exhaustively. The suggestion that the three conditions are necessary but not sufficient and that further conditions have to be met was brought forth by Paul Gettier in the middle of this century in his counterexamples (Lucey 1996). However, agreement on what these conditions could be has not yet been reached.

Of the three standard conditions for knowledge, the relationship between the inquiring mind and the external world – a relationship that is the concern of the present study as well - has always been the most vehemently debated. If there is a relationship between the external world and our inner states, our mind has to have some sort of access to this external reality, be it through our senses or through our intellect. The Platonic rationalist tradition maintains that our intellect rather than our senses provides us with knowledge about the essence of the world outside ourselves. The best we can attain through sense-perception are opinions or beliefs on *Particulars* (the material, changing world). Only our mental capacities, and more precisely our capacity for recollection, connect us to the essence of the world - a set of abstract, permanent and never-changing Universals that lie outside ourselves.¹

The Aristotelian tradition, on the other hand, views knowledge as an interdependent function of our sense perceptions and our intellectual capacity. Drawing a distinction between theoretical, technical and practical knowledge (*episteme* versus *techne* and *phronesis*), Aristotle advocated perception and apprehension by intuition as equally reliable in coming to know the external world as intellectual activity. Both spheres, the

¹ The Platonic notion of Universals is an important point of reference for nativist strands of modern cognitivism such as Chomsky's theory of linguistic universals and Fodor's representationalism (Edwards 1997).

intellectual and the perceptual, yield a different, yet essentially 'true' type of knowledge (Dunne 1993).

2.1.2 *Knowing about and knowing how*

The Platonic and the Aristotelian views not only serve as a foundation for the two main epistemological doctrines - rationalism's *esse est cogitum* and empiricism's *esse est percipi* - but also for subsequent attempts to distinguish different types of knowledge. Most of the modern categorisations still postulate a kind of theoretical or propositional knowledge that is grounded in the human ability to cognise, and a sort of perceptual or experiential knowledge that we derive from bodily or sense experience. Such 'dual-mode' theories of knowledge portray the intellectual or deductive way of coming to know as a controlled access to the outside world and describe the perceptual or inductive way as an automatic one (Baron 1988). In this sense, Bertrand Russell contrasts *knowledge by acquaintance* with *knowledge by description*, Gilbert Ryle distinguishes *knowing how* from *knowing that*, and William James strikes a difference between *knowledge by acquaintance* and *knowledge about* (Hamlyn 1991). These distinctions are also expressed in some Indo-European languages like French or German in the difference between the concepts of *connaître* and *savoir* or *wissen* and *können*.

Knowledge derived through bodily experience or sense perception seems to be readily available for use in action, but difficult to put into words, whereas the capacity to express certain information linguistically cannot be taken as an indication that this knowledge really is embodied or 'indwelled' (Polanyi 1966/1983). It is often argued that the perceptual or experiential activity of knowing is prior to the cognitive process and that therefore (bodily) *knowledge by acquaintance* would reside on a 'deeper' level of consciousness than (rational) *knowledge about*. However, there are also indications

that what we learn through cogitation will become ‘embodied’ and that therefore *wissen* would precede *können* (Neisser 1976).

In his now famous distinction between *tacit* and *explicit* knowledge, Michael Polanyi views bodily experience as the main source of knowledge. For him, all knowledge is either tacit or rooted in tacit knowing. His example of riding a bike has become proverbial: our bodily experience allows us to accomplish the activity, although we would not only have great difficulty in describing it, but we are also entirely unaware of the physical rules that allow us to keep our balance on a bike. Drawing heavily on Gestalt psychology, Polanyi maintains that perception has a gradual and vectorial quality that ranges from subsidiary (subliminal or marginal) to focal awareness. Subsidiary clues are used to “attend from them to other things” (Polanyi 1966/1983, p. 10); they serve as tools or pointers for a holistic comprehension of the focal point of attention (Sanders 1988). Although some of these clues will remain tacit, the human being can switch his attention to marginal clues and make them at least partly explicit through “an active shaping of experience performed in the pursuit of knowledge” (Polanyi 1966/1983, p. 6).² Hence, explicit knowledge requires a deliberate shift of attention to aspects that the individual already knows ‘bodily’, but has not yet reflected upon. Explicit knowledge therefore seems more a reflection on one’s enacted knowing. It is a form of meta-knowledge that requires intentional awareness.

This distinction between a sort of knowledge-as-enacted and a reflective or meta-knowledge seems to come closer to how knowledge is actually used than the attempt to classify knowledge into categories identified by an observer. For the knower himself,

² In attributing to man an active role as intentional knower, Polanyi rejects Gestalt psychology’s notion of perception as a purely automatic process as well as the “objectivist ideal of knowledge without a knower” (Sanders 1988, p. 225).

wissen and *können* are tightly interrelated in his daily activities; analogical *knowledge about* and propositional *knowledge by acquaintance* both coincide in an enacted *knowing with* (Spiro 1983). Yet, stepping ‘outside’ one’s actions and reflecting upon what one knows when acting is a different process altogether. Developing Dewey’s distinction between primary (direct) and secondary (reflective) experience (Murphy 1990), one could thus speak of the primary (experiential *or* theoretical) knowledge that people use when they act and a sort of meta-knowledge that originates in the reflection upon this knowledge-in-use.

Meta-knowledge in this sense takes the form of a *Nach-denken* (Morin 1986) that allows an individual to put heterogeneous (primary) knowledge together into patterns and theories. It is subsequent to knowing-in-use, but not subordinate:

...dans la crise des fondements et devant le défi de la complexité du réel, toute connaissance aujourd’hui a besoin de se réfléchir, reconnaître, situer, problématiser. Le besoin légitime de tout connaissant, désormais, où qu’il soit et quel qu’il soit, devrait être: **pas de connaissance sans connaissance de la connaissance**. [...] C’est une tâche historique pour chacun et pour tous (Morin 1986, p. 25; original emphasis).

2.1.3 The limits of knowing and the crisis of representation

Traditional theories of knowledge model the individual knower vis-à-vis his environment. However, the individual as ‘lone knower’ is inexorably restricted in his capacity to grasp ‘reality’. Theoretical knowing is constrained by our limited mental capacities, and knowledge created through bodily experience via induction is “inherently chancy” because it implies simplification and abstraction from the experience itself (Rescher 1989, p. 85). Therefore, the lone individual wanting to come to know the world reaches limits that can only be overcome if he turns into Emile Durkheim’s ‘social animal’; only as such has he the ability to interact with others and to expand his knowledge indirectly through social interaction.

In traditional epistemology, interaction with others is considered a valid source of knowledge. Given that the other person has not deliberately distorted the transmitted information (*sincerity condition*) and that he has the competence to give this information (*competence condition*), third-person testimony provides knowledge of the world in the same way as direct sense perception (Audi 1998). Hence, third-person testimony can complement an individual's direct experience - if and only if there is a common ground on which to base the knowledge that two or more individuals intend to share.

Ordinarily, this common ground is assumed to be provided by what is normally called 'reality'. Whatever their divergence over the question on *how* it can be known, rationalist and empiricist philosophers both subscribe to a metaphysical realism. They believe in the existence of a reality to be known that exists independently of the human mind and that therefore can be assessed separately from it. If such objectivity is given, knowledge sharing and exchange is unproblematic, and if knowledge efforts are concerted there is no limit to what the human race can know of the world.

The nature of the relationship between knowing mind and known object – between epistemology and ontology - was first thoroughly investigated by Descartes. In his attempt to prove that which cannot be doubted - the 'first premises' - he had to draw the conclusion that the only thing the human mind can be sure of is its own existence: the famous Cartesian 'cogito ergo sum'. As mentioned above, the problem in assessing the nature of a mind-independent world as a foundation for knowledge lies in the fact that the mind cannot step outside itself and observe itself at work (von Glasersfeld 1995). Tarski and Gödel showed that no cognitive or symbolic system could validate itself exhaustively (Morin 1986). For such validation, there ought to be a way of accessing this external reality (whether a material or metaphysical one) independently of the

cognitive system itself; there ought to be a 'God's eye view' of things (Putnam, cit. in Murphy 1990, p. 2). Since such an objective validation of knowledge cannot be established outside the thinking mind itself, the quest of 'what is out there' is necessarily circular. Consequently, our beliefs cannot be grounded on an external truth that is objectively accessible for everybody. The mind may be a mirror of reality, but we are not able to compare this mirror image to the original it is supposed to reflect (Rorty 1980). Thus, the world as we perceive it will always have a certain degree of uncertainty and ambiguity, and any 'truth' derived from it will be *underdetermined* (Audi 1998).

This inescapable ambiguity not only puts a question mark on the 'accuracy' of our personal knowledge - a fact that serves as the classical point of attack for sceptics. It also calls in question any attempt to share or exchange knowledge with others: if there is ambiguity, we cannot have any certainty that we base our knowledge of the world on the same premises as others. And if there is no common scale from which to evaluate knowledge, we cannot justify the truthfulness of our beliefs if others want to prove us wrong. We simply cannot be sure that others see the world in the same light as we do and that our version is the right one.

François Lyotard (1984, p. 40) points to the fact that the 'crisis of representation' occurred simultaneously in epistemology and in the arts: in both areas, the "decline of the grand narrative of the legitimisation of mirror theories" took place during the first half of this century. Incidentally, at the same time the development of quantum mechanics theory also put an end to any illusion of time and space as elements of an objective, observer-independent reality (Zukav 1979). Thus, in the philosophical as well as in the physical realm, the accuracy of our knowledge needs to be gauged by another measure than that of an 'objective reality'

2.2 Knowledge that fits reality: The Pragmatist switch.

The shift away from a metaphysical account of knowledge was first made by the early Pragmatists such as Charles S. Peirce, William James and John Dewey. In their theories, coming to know is not linked anymore to what *can* be known by the human mind *qua* existence of things, but what knowledge is *necessary* or *useful* for an individual to have (Moser, Mulder and Trout 1998). Knowledge in this sense is based on the individual acting in and coping with a principally unknowable world, it is goal-oriented and intentional.

Peirce links his concept of pragmatism to positivistic experimentalism and thus to a scientific method of objective validation of the successfulness of theories. ‘Successful prediction’ of future experience serves in his theorising as an impersonal and intersubjective standard for the evaluation of knowledge and belief (Murphy 1990). James’ pragmatism is a more subjective one, advocating a strictly personal and idiosyncratic notion of effectiveness (Honderich 1995).

John Dewey takes an intermediate position by rejecting Peirce’s positivistic ‘method of authority’ to evaluate beliefs on the one hand and on the other hand surpassing James’ introspective psychologism by including the social context in his pragmatism (Murphy 1990). Dewey replaces what he sees as the traditional spectator theory of knowledge with instrumentalism. He views knowledge as a tool, similar to a key that opens a lock; the fit between lock and key describes a capacity of the key, not of the lock: “Thanks to professional burglars we know only too well that there are many keys that are shaped quite differently from our own but which nevertheless unlock our doors” (von Glasersfeld 1984, p. 21). In his framework, knowledge is no longer related to a notion of truth based on external correspondence, but it is determined by truth as *warranted assertability* (Dewey 1939). Characterised by its usefulness, knowing is much more a

process of hypothesis testing than a piece-by-piece assemblage of a model of reality, as he shows in his explorations of the child as an active, growing inquirer who shapes his environment as much as it shapes him. Knowledge is thus based on experience in the Aristotelian sense: as *the capacity to do something* (Murphy 1990). However, contrary to the Peircean conception of the objectivity of scientific experiments, Dewey maintains that this process of hypothesis testing cannot be assessed separately from the social context in which it is carried out, a claim that anticipates Kuhnian notions of the context dependence of scientific inquiry (Dewey 1939).

By putting the human being and his actions back in the centre of inquiry, the pragmatist stream switches from an epistemology concerned with the known to one concerned with the knower. However, its means-end and utility-maximisation models and the concomitant framework of applicative effectiveness are reminiscent of a Darwinian social evolutionism. Pragmatism still places individual knowledge on a scale that helps to evaluate it in relation to an environmental measure - only that this time, it is not through analogy, but through its goodness-of-fit that knowledge is judged upon.

Moreover, if knowledge is evaluated in relation to how well it fits our experience, and if the way we experience the world hinges on our prior knowledge, chances are that our future knowledge remains in the realm of the already known. The variety of what could be considered 'viable readings' (von Glasersfeld 1995) is restricted by what is existent - evolutionary selection is a negative selection.

2.3 Knowledge that shapes reality: Constructivism

With its turn back to an epistemology that is not reliant on metaphysical ontology, pragmatism sets the scene for constructivism. Its claim that human beings construct their own reality is often dismissed as legitimising a kind of 'anything-goes' relativism.

However, as with the pragmatists before, constructivists maintain that it is not their purpose to deny the existence or importance of an outside world. Rather, since we cannot come to know what such an external reality is like, we should bracket the question of the nature of the external world. As discussed, pragmatism replaces the correspondence theory of truth and knowledge with a *consistence theory*: whether or not something is true is not a matter of how closely it corresponds to an absolute truth, but of how consistent it is with one's experience of the environment. Constructivism goes a step further in positing a *coherence theory* of knowledge. Knowledge is actively built up and put together by the knowing subject, and this happens more or less independently of environmental constraints. The 'truth criterion' is not linked to a comparison between environment and representation, but is determined by the internal coherence of the system.

Thus, instead of the environment shaping knowledge structures either through 'impressions' (the mirror theory of knowledge) or 'experiential obstacles' (the goodness-of-fit theory of knowledge), it is the knower himself who shapes his environment. Just like a scientist, he creates his world through the questions he asks (Steier 1991). And as is the case with the scientist, the knower himself sets the standards by which he measures the internal coherence of his model: "Human knowledge is nothing else but the endeavour to make things correspond to one another in shapely proportion" (von Glasersfeld 1984, p. 29). Hence, not only is knowledge first and foremost a tool that permits us to probe reality, but we also actively *shape* this tool with which we probe reality. The individual is free to construct 'reality' in his own terms; no Platonic or Chomskyan innate structure predetermines his perspective of the world. To substantiate this hypothesis, constructivists often refer to the neurophysiologic fact that the human brain is a self-organising (*auto-poietic*) and functionally closed system

whose organisation is circular and independent of its environment (Maturana and Varela 1980).

By modelling the knower as a constructive agent, constructivism emphasises the 'diversity principle' (Ravn 1991) that has received rather short shrift by prior theories of knowledge: no reality construction can be considered superior to another. An individual's knowledge and beliefs are intrinsically incommensurate with those of others; absolute value systems cannot be erected. Constructivists recognise that such a multitude of reality constructions could lead to a Babylonian cacophony, preventing any meaningful social interaction and thus leaving the individual mind in a solipsist state. Some common measure therefore has to exist if individuals want to share their constructions of the world and not end up in a dialogue of the deaf. Social interaction becomes indispensable, presenting the only possibility for the individual to step out of his own mind and to assess his personal beliefs. If constructivism's tenets are not meant to lead to solipsism, the constructivist definition of knowledge thus has to imply a social element. Its reality has to be an intersubjective, negotiated one. The (individualistic) coherence theory of knowledge therefore must be coupled to a consensus theory of knowledge; constructivism has to be related to a *social constructionism* (Gergen and Gergen 1991; Gergen 1994).

2.4 Knowledge as agreed upon: The social construction of reality

As discussed above, knowledge exchange is unproblematic from a realist's viewpoint: there is an objective reality independent of people's minds that can be accessed by the individual *qua* cognition and/or sense perception and that serves as a basis for social intercourse. The situation is different if one questions this notion of reality as a solid ground to evaluate one's beliefs, as pragmatist and constructivist theories of knowledge do. In this case, external reality merely "articulates a space of possibilities for a very

large number of statements” (Searle 1994, p. 183). The basis on which a version from this reality space is chosen has to originate in the community of knowers itself.

Alfred Schutz was one of the first philosophers to put forward a theory of knowledge based on the notion of ‘social reality’. Coming from a pragmatist background, he subscribes to William James’ action-related definition of reality as ‘sub-universes’ that are real whilst attended to (Schutz 1973). However, he also acknowledges the role that social interaction plays in the construction of an individual’s ‘provinces of meaning’:

Only a very small part of my knowledge of the world originates within my personal experience. The greater part is socially derived, handed down to me by my friends, my parents, my teachers and the teachers of my teachers [...]. I am taught not only how to define the environment [...] but also how typical constructs have to be formed in accordance with the system of relevances accepted from the anonymous unified point of view of the in-group (Schutz 1973, p. 13).

The intersubjectivity of this socially derived world is “taken for granted until further notice”, and its measures serve as a reference point for the individual “as the unquestioned, though at any time questionable stock of knowledge at hand” (Schutz 1973, p. 7). The ‘natural attitude’, in which man in his everyday life brackets the doubt that the world can be seen otherwise than it appears to him, allows meaningful interaction with the Other. However, this common-sense assumption is only taken for granted until counter-evidence is offered; it is an apparent ‘idealisation’ that can break down at any moment. Building on Schutz’s work, Karl Weick (1995, p. 100) discusses such moments of breakdowns in organisations. According to Weick, “incongruent events, events that violate perceptual frameworks” are the instances where conceptual frames are made explicit and sensemaking occurs.

In his essays, Schutz shows how each individual constructs reality on the basis of a co-ordinate system in which he is the centre, yet in which major reference points are taken over from other individuals and are constantly modified when interacting with others. As an example, the ‘neo-positivistic empiricist’ Sancho Panza has to accept Don

Quixote's scheme of interpretation as a valid one, thus establishing a common 'reality' with the knight (Schutz 1967, p. 659).

In their treatise on the 'Social construction of reality' (1967), two of Schutz' students, Peter Berger and Thomas Luckmann, draw up a similar model of the interrelationship between the individual and the social world. In their view, all knowledge originates from the individual. However, as soon as two people meet they create a shared universe that will serve as a given for a third person who wants or needs to join this 'province of meaning'. Hence, as soon as a social agreement on what is considered reality takes place, it proves quite robust against divergent constructions. There seems to be an implicit social majority vote on what is defined to figure as reality in a particular social environment.

Such a 'culturally sedimented' reality remains however a negotiated one, valid 'until further notice' and open to renegotiation at any time: "Truth is just a statement that nobody has given us any interesting alternatives which would lead us to question it" (Quine, cit. in Rorty 1980, p. 175). Hence, social and individual reality constructions are interdependent; the lone knower could not act in a social world without bringing his own constructs in line with the agreed-upon definition of reality. But in doing so, he participates in constructing this very reality; individual knowing and social structures are inextricably linked.

2.5 Knowing and ‘linguaging’³

The construction and transmission of an intersubjective reality needs a medium that allows the individual to transcend oneself and externalise one’s inner states (Berger and Luckmann 1967). It needs a translation system through which personal constructions can be brought forth in order to communicate them to others.

Human beings have contrived a wealth of such translation systems. Depending on situational requirements, pictorial, gesticulatory, physical, or material meaning systems can play an important role in social interaction. However, language seems to be the primary mode through which we negotiate our intersubjective reality in everyday life:

Through language I can transcend the gap between my manipulatory zone and that of the other; I can synchronize my biographical time sequence with his; and I can converse with him about individuals and collectivities with whom we are not at present in a face-to-face interaction (Berger and Luckmann 1967, p. 54).

In addition, language signs can be stored and transmitted diachronically. Language allows us to accumulate and ‘freeze’ negotiated realities, to turn ad-hoc arrangements into established givens and to pass them on (Berger and Luckmann 1967).

However, such ‘transcendence’ of internal states has to be bought at the price of compromising a part of one’s individuality: as with any other meaning system, although necessary for sharing and accumulating knowledge, language does not allow the individual to transmit his knowledge as it is. By the very nature of the human brain as a closed system, there is no possibility for us to externalise what is in our minds. Any such objectivation is but a poor translation that uses a means that itself is an outcome of

³ Social constructionism considers language not as a given system, but contends that it is generated in the social interaction. This tenet implies the shift from the noun ‘language’ to the verb ‘linguaging’, as an act experienced *in statu nascendi* rather than as a set of general rules or constraints operating on or within a lexicon (Becker 1991).

this process of translation. Individual experience has to be converted into a non-personal system of signs, a negotiated and conventional system of common denominators. Both processes - the translation of our knowledge into an intersubjective system and the construction of this translation medium – occur simultaneously every time we communicate. We try to orient our interaction partner toward our knowledge structures by assuming that his understanding of the symbols that we use to represent these structures is the same as ours. And at the same time, we try to show him how we understand the meaning of these symbols by applying them to what we have in mind. Creating language and externalising knowledge are two interdependent processes.

For this twin process to occur in the first place, we have to rely on the working assumptions that a) others' reality is more or less the same as ours and b) the sign system we use is pre-determined, not to be questioned in the ongoing interaction. Most of the time we are unaware of these taken-for-granted assumptions. The common-sense rules that we assume as valid when using linguistic systems and the conventional character of language are robust enough to tolerate a bandwidth of misunderstandings. Only when it comes to overt conflict do we become conscious of the negotiated character of the basis on which we erect our interaction. In this case, we have to make explicit and re-negotiate our use of the sign system in order to re-establish a common denominator that fits our respective individual 'realities' better. Piaget's research on phylogenetic development shows this process of constant re-negotiation clearly: a child's language acquisition is a continuous process of attempts to provisionally verify and modify personal meanings. Its socialisation into a knowledge community occurs simultaneously with and to a large extent through language learning. This process continues throughout adult life: "No matter how long we have spoken a language, there will still be occasions when we realize that we have been using a word in a way that

turns out to be idiosyncratic in some particular respect” (von Glasersfeld 1995, p. 141). Once again, it is mainly in moments of breakdowns that our frames of reference are made explicit and put forth to negotiation.

Wittgenstein’s (1968) notion of ‘language game’ illustrates this negotiation process quite well. In ‘linguaging’, we are just like players in a game, assuming an agreed upon (and most often socially pre-established) set of rules, assuming that the other player(s) follow these rules and re-justifying these basic assumptions throughout the interaction by reacting to and reflecting on the other’s moves. And if we use meta-language to discuss the rules of the game, we find ourselves in yet another language game. In Wittgenstein’s sense, operations in language can thus be defined as “coordinations of coordinations of consensual actions” (Maturana 1991, p. 30); as a delicate team effort that aims to establish a common ground for further activities.

Again, the conventional nature of language brings to light that as soon as we try to externalise our personal knowledge, all that can emerge is but a very poor rendering of what is inside. The human mind is just like Einstein’s famous watch that we can observe ticking, but that we cannot open; it is a closed system to which direct access cannot be gained. And yet, we have to find ways to open up our closed system if we want to play the game of social interaction and knowledge sharing. Using the linguistic system seems to be one of the most appropriate means to do so: language can provide a provisional common ground on which two independent minds can interact. Knowledge, accordingly, turns into “a matter of conversation and of social practice” rather than “an attempt to mirror nature” (Rorty 1980, p. 171).

2.6 Knowledge and power

The process of 'opening up' our closed system does not go without risk for the individual. If our mind is an autopoietic system that tries to keep a state of balance (homeostasis) at any time, any interference from the 'outside' can unbalance this mental equilibrium. Jean Piaget showed that a child only learns through such disturbances from the outside. It tries to assimilate the disturbance in his pre-existing knowledge structures, and only if this assimilation is unsuccessful will it form new mental concepts to accommodate the disturbance (Tryphon and Vonèche 1996). Similar processes also seem to occur in adult life. The closed nature of an individual's knowledge structures makes it impossible that one's personal experiences ever fully match those of others; the individual therefore constantly experiences a feeling of *incommensurability* (Strike and Posner 1983). There will always be a constant need to readjust one's knowledge structures and to re-evaluate that which is inherently constitutive of our sense of individuality.

Every time we 'couple' our system to the outside world, we not only run the risk of losing our mental equilibrium through outside disturbances, but also of compromising our innermost self (Maturana and Varela 1980). As soon as we enter into contact with the world via a translation medium, our individual knowledge becomes disembodied. The degree to which we sense this 'alienation' (Lyotard 1984) appears to depend on the medium that we choose. Face-to-face interaction gives us several modes of translation to compensate for the insufficiencies of each, some of which are physical and therefore close to our lived experience. The more we have to rely on abstract or isolated sign systems, the more the danger of alienation increases.

Besides the mode of communication, the level of risk that one undergoes when externalising inner states also depends on the social position of the individual and on the

mode of interaction with other persons. The person who is in a position of power can dominate the discourse, dictate the rules of the game, and thereby impose his conception of the world. Thus, as Michel Foucault (1969) points out, discourse and knowledge are tightly linked to questions of power and domination. This becomes visible in the language practices of totalitarian regimes, but it can also be shown in parent-child interaction. To a large extent, the child has to adapt to the language use and reality conception of the parents and other authority figures, a process that is commonly called 'socialisation'. In this sense, knowledge externalisation is a process that exposes us to power conflicts with others. Any cognitive interaction will modify the knowledge distribution within a community of knowers and thereby upset the established knowledge and power relations within a social context. Knowing and 'linguaging' are processes that fundamentally constitute and modify the identity of the self and of the community – they are intrinsically political activities.

2.7 What philosophy tells us about sales people's customer knowledge

Philosophy is an area that has long been concerned with exploring the nature of human knowledge. Historically, theories of knowledge probed three different aspects:

- a) a competence to know that appears to be innate, i.e. a 'knowledgeable mind';
- b) the activity or process of coming to know; and
- c) the presumed result of this process, a stock or reservoir that allows the individual to act upon his lived experience (Morin 1986).

The vibrancy of the discussion within epistemology over more than 2500 years indicates how difficult it has proven to determine how we acquire knowledge and how reliable and true this knowledge might be. In the last century, pragmatist and constructivist views on knowledge have challenged the traditional assumptions of both idealism and realism substantially and introduced an alternative to the correspondence

model of knowledge. It seems important for an inquiry into sales people's customer knowledge to open itself up to these recent advances in the philosophy of knowledge. From the point of view of traditional epistemology, sales people's customer knowledge is a mirror of the 'real' customer and can thus be evaluated according to its accuracy and, if necessary, complemented by external 'knowledge'; it can be exchanged with others and put on databases for further use. From this point of view an inquiry into sales people's customer knowledge would concentrate on the technical issues of knowledge elicitation and transfer – the nature of knowledge itself would not be regarded as problematic. If however constructivist and pragmatist notions are considered in the study of sales people's knowing, the nature of this knowledge itself becomes part of the inquiry. On the ground of such notions, sales people's customer knowledge could be modelled as:

a) **purposeful and selective:** What sales people attend to during interactions with their customers could indicate how they assess the cognitive requirements for purposeful action within that particular situation. Such selection would not be a symptom of the 'quality' of their cognitive processes, but of their unique perception of the selling situation.

b) **individual:** Two sales people would attend to different aspects of their environment and assimilate them differently in their pre-existing knowledge structures. Obtaining discourses from both individuals would reveal two equally valid versions of the reality of the same situation. By sharing their 'versions', the two sales reps could create a consensus on their respective constructions of the customer.

c) **negotiated:** At each customer interaction, the sales person would negotiate a shared reality with the customer. Two sales people, confronted with the same customer, would 'couple' differently to this person, and co-construct a different common ground for the

interaction. Again, exchanging the aspects of the respective ‘realities’ could provide the individuals with a perspective of how things could be perceived from different viewpoints.

d) situated and provisional: The socially negotiated reality between sales person and customer is established until further notice. Both individuals have the possibility to re-assess not only the roles they play, but also their game strategy. If a salesperson becomes aware of the rules that are played in the social interaction with the customer, she gives herself a chance to trigger a process of re-negotiation of the established common ground, thus actively changing the social reality she shares with her customer.

e) constructed-in-use: A sales person would permanently validate and adapt her mental structures during the customer interaction in accordance to the evolving social interaction. ‘Knowledge elicitation’ in this sense would not yield much more than a momentary map for an ever-changing territory, an “ad interim device to get time to stand still long enough for us to see what is going on” (Kelly 1970, p. 10). However, it could trigger a process of reflection on the ‘knowledge-in-use’. Processes of meta-knowing triggered by knowledge representations would allow salespeople to evaluate their knowledge structures and to engage in an ongoing conversation with other sales representatives in order to sensitise themselves toward alternative or complementary views on ‘reality’. Morin’s quote illustrates what chance for development could lie in such a ‘problematic’ view of sales people’s customer knowledge:

Alors que l’ignorance de l’incertitude conduit a l’erreur, la connaissance de l’incertitude conduit, non seulement au doute, mais aussi a la stratégie (Morin 1986, p. 225).

In this sense, the more researchers and practitioners alike are aware of the nature of sales people’s knowing, the better they will be able to devise strategies for dealing with the object to be known – the customer.

3 Defining knowledge - The psychological approach

3.1 The theory-driven model of the mind

If philosophical speculations on the nature of human knowledge seem rather abstract, one can turn to a science that claims to ground the inquiry about knowledge in empirical reality rather than in theoretical speculation: cognitive psychology, or, in its broader definition, cognitive science. Cognition, as defined by cognitive scientists, “is the activity of knowing: the acquisition, organization, and use of knowledge” (Neisser 1976, p.1); cognitive science is the area that studies human knowledge processes from a psychological perspective. Cognitive science has developed out of the criticism against behaviourism’s negligence of mental processes. It aims to open the black box between stimulus and response and to venture into the maze of the human intellect. However, this undertaking has proven very difficult: some decades after the first attempts of this kind, cognitive scientists recognise that a comprehensive theory of cognition has still not been formulated (Gardner 1985; Newell 1990). There are numerous hypotheses on how the human mind functions, but ultimately the ancient epistemological problem of how to observe one’s own mind at work remains unresolved: “The precise form of human thinking remains fundamentally unknowable” (Jorna 1990, p. 6).

Traditional cognitive science is strongly associated with the information-processing model of cognition. Using the computer as a metaphor for the human mind, its proponents model cognition as a computational process in which outside stimuli are transformed into symbols that are manipulated in the mind (Jorna 1990). This process implies a rule-governed translation of the original message into a decipherable language (the system’s vocabulary) as well as effective organisation patterns (a syntax), and a memory to store processed information. Thus, cognitive science posits the

representational or *symbolic* level as the adequate level of inquiry into human knowledge; its scientific constructs are symbols, rules, and computations, its level of analysis is situated between neuro-physiological processes at the lower end and the semantic level at the top end (Simon 1964/1997). From this point of view, it becomes possible to define computers and organisms simultaneously as ‘cognitive systems’ (Holland et al. 1987) or ‘physical symbol systems’ (Newell 1990).

Computational approaches to human knowledge subscribe to a ‘theory-driven’ or ‘top-down’ view of mental activities as opposed to a ‘data-driven’ or ‘bottom-up’ approach. Bottom-up approaches view mental processes as entirely determined by the environmental data an individual receives. An example of a bottom-up approach to human cognition is James J. Gibson’s ecological psychology (for example Gibson 1979), a framework that recognises the co-evolution of actors and their environments and pursues a doctrine of animal-environment reciprocity as its guiding principle. Theory-driven models of cognition, on the other hand, model information processing as heavily dependent on previously obtained knowledge. Incoming stimuli are believed to be matched with the knowledge the individual already holds. This process is seen to enable the mind make sense of an infinite number of encountered instances with its limited processing and storage capacity (Johnson-Laird 1989). In this view, human thinking never occurs on a ‘blank slate’ level, but is predetermined through earlier experiences.

3.1.1 Schemas, scripts and maps

One of the predominant strands of the theory-driven approach – and the one to receive the strongest reception in sales research - is schema theory, which grounds itself on Frederic C. Bartlett’s (1932/1977) argument that mental patterns facilitate memory recall. Schema theorists suggest that the human mind processes incoming data

according to coherent clusters of stored information on previously encountered instances. Such a system of mental categories is assumed to provide not only maximum cognitive efficiency, but also a perception of environmental orderliness and coherence (Rosch 1978). In her groundbreaking work on schematical thinking, Eleanor Rosch describes mental categories of everyday objects as lists of attributes with a central tendency – represented by the so-called prototype - and more or less well-defined borders. Incoming stimuli are compared to this central case or to another extreme case and then processed as an exemplar or non-exemplar of a specific category depending on their family resemblance to these cognitive reference points (Rosch 1975). Since no two instances show exactly identical features, this process of comparison implies abstraction of informational details that are considered irrelevant in a specific context. As a consequence, categorisation is always a probability heuristic more than a simple yes or no judgement, it follows a ‘fuzzy set logic’ (Gardner 1985, p. 347). The closer an instance resembles the ideal type of a particular category, the faster it is identified and processed as a category member. Evidence also suggests that for strong schemata, ‘typical’ instances are better remembered than atypical instances, and it seems that people even add ‘typical’ features to a category member when recalling information (Fiske and Taylor 1991).

Schemata seem to be organised hierarchically, centring on a ‘basic-level category’. The basic level is the level at which instances share the most attributes; it is also the level that is most readily accessible for recall (Rosch 1978). As an example, the category ‘dog’ would be a basic-level category, whereas ‘mammal’ would be situated on a superordinate and ‘collie’ on a subordinate level. It is assumed that hierarchical category organisation enhances information processing efficiency (Anderson 1990).

While so-called 'natural objects' - animals and man-made artefacts - were the main targets of research in the early days of schema theory, later schema research has shown that mental categories can take multiple forms, such as

Person schemas and role schemas: Based on previous interaction with individuals, they can include attributes, features, and behavioural characteristics. Person schemata are seen to play a crucial role in social cognition, and stereotype and social group research draw heavily on this concept (for example Zarate and Smith 1990). An important difference between natural categories and person schemas is seen in the fact that the person in front of us can 'think back'; they can shape the schema that we activate. Social cognition is always mutual cognition (Fiske and Taylor 1991). In addition, non-observable features are much more significant in person perception than in object perception: the schematic categorisation of other people is partly based on an inference from outward appearances to the internal worlds of the perceived person. These inference processes are based on a multitude of factors such as our self-perception, expectancies, motivations as well as situational aspects (Jones 1990); they thus include a large degree of 'guesswork'. A rich body of literature in social psychology has examined the effects of inferential processes on interpersonal perception. As an example, attribution theory studies the psychology humans use when attributing causes to others' behaviours (for example Deschamps 1997). Even though it is beyond the scope of this dissertation to review this literature extensively, it is apparent that the probability of perceptual inaccuracy is far more considerable in person than in object categorisation.

Self-schemata: Self-schemata represent a generalised concept of oneself including personality, values, roles and behaviour; they are believed to be central to our identity and self-definition. They influence our classification of other human beings since the

perceptual target is similar to us (Lord and Foti 1986); in turn they also seem to be influenced by our 'other-knowledge' (Neisser 1976) and by others' perceptions of us. This interaction between person and self schemas in automatic information processing is a significant source of heuristic biases (Jones 1990); it also opens up a range of questions on the reflexive nature of human experience (for example Groeben and Scheele 1977).

Scripts: Schank and Abelson (1977) coined the term for schemata that consist of temporally and/or causally ordered sets of events. According to Schank and Abelson, these chains are often goal-directed and instrumental. As an example, a restaurant script contains elements that lead to the ultimate goal of 'spending a pleasant evening while eating nice food'. Event schemata are a step in the direction of including context-dependent factors in category research; however, critics consider them still too rigid to account for many real-life situations because the processing of unpredictable events is not accounted for (Holland et al. 1987).

Person-in-situation schemata: These are compound person and event schemata, such as the schema of a waiter in the restaurant script. Person-in-situation schemata take account of the fact that situational factors have a significant influence on person (and to a lesser extent object) perception: "Situations are the (often silent) backdrop without which no action can be assessed or interpreted" (Jones 1990, p. 115).

Goals: Goal schemata represent multi-level structures of motives and intentions (Schank and Abelson 1977). Goal schemata can underlie other kinds of categories and can be responsible for their activation. Smyth et al. (1994, p. 86) give an example of a goal-oriented schema: in particular circumstances – namely when a person's house is on fire – children, jewellery, photograph albums and PhD manuscripts may be included in the same category 'things to be saved from the blaze'. Goal-directed schemata seem

largely dependent on context for their activation. Through their motivational basis, they are also seen to be more tightly connected to emotions than other forms of schemata.

Frames: According to Marvin Minsky (1985), frames are patterns of 'default assumptions' on a knowledge domain that get gradually confirmed or replaced by the actual occurrences in a particular situation. For example, entering a room would evoke a mental frame in our minds that would be filled up by the actual features of the room once we enter it in reality. Thus, frames are weak schemata that are highly dependent on environmental input for confirmation.

It is noticeable that although cognitive psychology is foremost a psychology of the individual mind, most of the aforementioned categories of knowledge structures attempt to embrace the social and physical environment of the cognitive machine to some extent. All forms of knowledge structures, whether social or object schemata, are believed to develop inductively over time when an individual encounters instances that can be judged either as 'similar' or as 'functionally equivalent' (Smyth et al. 1994) and classified in a common knowledge category. Smyth et al. (1994) also point to the fact that before categorisation takes place certain heuristics are used to determine which features of the instance will be attended to for categorisation in particular circumstances.

It is believed that schemata become stronger and more complex the more an individual gets acquainted with a certain domain (Neisser 1976). Research results suggest that once established, categories remain relatively stable and impervious to change; it appears that individuals tend to maintain existing categories even in the face of inconsistent data. Typically, such data is assimilated in existing knowledge categories:

The very nature of schemas acts to ensure that drastic challenges to their validity seldom arise. Since schemas direct searches for information, it is likely that the information uncovered will reinforce those schemas (Harris 1996, p. 288).

Only if the discrepancy between the actual instance and the pre-existing schema is too substantial to be discarded will the schema be modified accordingly or a new category established. Studies on expertise also suggest that people with a very deep knowledge on a domain manage to incorporate even highly untypical data in their knowledge structures (Fiske and Taylor 1991). Thus, whether assimilation of inconsistent data in an existing schema or adaptation of the schema occurs is as dependent on the nature of the input as on the richness of the knowledge category. This notion of mental schemata as highly conservative constructs causes a certain amount of concern in relation to sales people's knowledge of the customer: if a sales person is slow to change her classification systems in the face of 'unexpected' clients or client behaviours, her chances of successfully adapting to these behaviours are slim.

3.1.2 Is human thought schematic?

Showing how individuals use their mental ability of abstraction and generalisation to achieve a balance between cognitive economy and detail knowledge, schema theory can explain how individuals a) draw meaningful information from the overwhelming amount of environmental stimuli they are surrounded by; b) discriminate between relevant and irrelevant data and structure their perceptions; c) act upon diverse instances of non-identical, but generically similar stimuli in an efficient and consistent way. It can help to understand phenomena like selective information processing, stereotyping and other forms of informational biases. It also supports two common-sense assumptions on human information processing: that our existing knowledge plays a crucial role in how we perceive new data and that human beings tend to organise experience in order to cope with the sheer amount of perceptual input they are exposed to. It is plausible to postulate that previously stored knowledge influences perception and information processing, lending a sense of order, control and coherence to the perceiving individual.

However, the existence of diverging approaches within schema-theory and contradictory experimental results indicate the difficulties of studying knowledge structures outside laboratory settings (Medin 1989; Smyth et al. 1994). Schema theory could not yet exhaustively determine how knowledge is developed, maintained and organised (Jorna 1990) and the extent to which schemata influence information processing in real-life situations (Lakoff 1987). More importantly, the amount of ambiguous evidence has made it clear that categorisation is not the simple classification task it was portrayed as in early schema models. Instead, it is a complex process that involves general world knowledge, within-category hierarchies, association networks between categories, context-dependent cues as well as idiosyncratic elements (Smyth et al. 1994).

Attempts to move beyond the limited explanatory power of schema theory while maintaining the basic assumption of theory-driven information processing most often probe into the relationships between categories. Research indicates that the position of the concepts within the entire knowledge base is of prime importance (Medin and Wattenmaker 1987). Concepts seem to be embedded in people's background knowledge and are coherent to the extent that they fit people's implicit theories of the world. Consequently, causation, association, and cross-schematical inference are now considered crucial elements of human thinking. Different strands within cognitive research try to map schematic hierarchies and inter-categorical relationships in order to move beyond simple category membership in describing the structure and content of knowledge domains. Thereby, they also attempt to explain dynamic aspects of information processing that have been largely neglected by schema theory. In linguistics, semantic network studies revolve around meaning-based models, aiming to detect inter-categorical relations such as synonymy, antonymy or inclusion (Johnson-

Laird, Herrmann and Chaffin 1984). Research on expert systems tries to mimic the human capacity of induction by modelling condition-action rules (IF-THEN rules) as the basic building blocks of mental models (for example Holland et al. 1987). Such research also inspires investigations of human reasoning and problem solving in the form of cognitive maps.

The term 'cognitive maps' was coined in research on spatial orientation, in particular by Edward C. Tolman's (1948) study on 'Cognitive Maps in Rats and Men'. Tolman's basic tenet was that individuals locate information in their minds relative to its informational 'neighbourhood'. This concept of spatial relatedness was subsequently used as a model for other types of cognition such as causal or temporal thought processes. The idea that the mind organises data predominantly in terms of causal relations and attributions has had a huge success especially in political science and management (for example Axelrod 1976; Huff 1990). Numerous cognitive mapping methods were developed to elicit these mental cause-effect chains and feedback loops (for example Bougon 1983). However, attempts to map the 'cognitive landscape' of people are subject to the same limitations as traditional schema research: human reasoning processes are treated as if decision trees, matrices and algebraic calculations could adequately represent them. Individuals are supposed to follow a strict cause-effect rationale which is assumed to be only marginally affected by so-called 'qualifiers' (Huff 1990); non-rational thinking does not have a place in this 'cartography of logic' (von Krogh and Roos 1995, p. 17).

Efforts such as Tversky and Kahnemann's work to map heuristic judgements and rule-of-thumb reasoning contribute much to our understanding of real-life thinking; however, they often lead to the same rationalistic fallacy as ordinary cognitive mapping research: man is still modelled to be rational, though "boundedly rational" (Stubbart

1989, p. 339). If categories themselves are fuzzy sets rather than clear-cut entities and their relationships are mostly governed by ad-hoc reasoning, it is likely that human knowledge resembles more a tangled web than a well-structured network. In addition, Lakoff (1987) points out that causation is a conceptual category in itself, thus itself culturally construed.

Cognitive mapping and schema theory share the assumption that a human being possesses a relatively stable, coherent, and potentially accessible stock of knowledge which can be externalised and transferred. Portraying the individual as a rational agent who strives to optimise cognitive processes in terms of costs and benefits (Fiske and Taylor 1991), these approaches replace behaviourism's model of the human being as a behaving organism with that of an entirely rational, computer-like mind. With some exceptions, they generally exclude from the very outset such fuzzy and unaccountable factors as social interaction, motivation, affect, culture, history, the subconscious and the irrational from their inquiry into human knowledge. Gardner (1985, p. 44), in talking about the 'computational paradox', points out that the computer metaphor "has helped scientists to understand the ways in which human beings are not very much like these prototypical computers"; he concludes that cognitive science's methods will eventually prove inappropriate to explain issues of categorisation exhaustively. Any attempt to break down the complex theories of the world an individual holds destroys the *Gestalt* character of human knowledge, leaving us with an oversimplified and de-contextualised view of an individual's idiosyncratic perception of reality (Dreyfus and Dreyfus 1997). By viewing the human being as a cybernetic system that can be observed and mental functions as separable from their source, cognitivist approaches also remain in the realm of the Western philosophical and scientific dichotomies of subject-environment and mind-body: an 'out there', an 'in here' and the possibility for

the scientist to observe the connection between both in the laboratory (Still 1991). Acknowledging the limited value of the computational model, more and more researchers now warn against taking schemas and cognitive maps as a literal representation of thinking:

The proposition that any of the different types of cognitive maps we currently construct have an ability to describe, simulate, or predict thinking is clearly problematic and might helpfully be informed by the inadequate achievements of artificial intelligence research. [...] in a less profound way, cognitive maps can be seen as a picture or visual aid in comprehending the mapper's understanding of particular, and selective, elements of the thoughts (rather than thinking) of an individual, group or organisation (Eden 1992, p. 261-262).

In summary, schema theory and cognate approaches represent a valuable step in the evolution of psychology and have helped the area move beyond behaviouristic approaches to human thinking. In their emphasis on understanding information processing, these approaches however limit themselves to the study of the rational aspects of human sensemaking. More recent approaches to cognition have built upon notions of information processing by opening the inquiry into human thinking to emotional aspects, neurophysiologic factors and social as well as situational considerations. A number of these frameworks will be discussed in the following sections.

3.2 Against cognitivism: Alternatives to the computer metaphor of the mind

3.2.1 Mind as network: Connectionism

Attempts to overcome the cognitivist perspective of the human mind have been flourishing in the last decade (Shanon 1991). New developments in cognitive psychology and Artificial Intelligence (AI) have threatened the traditional computer model of the mind from the inside out. Connectionism and Parallel Distribution Processing (PDP) reject cognitivist models of the mind by suggesting that there are no 'knowledge structures' stored in the human mind, but that they are only constructed as

required in the form of a network of associations (Rumelhart, McClelland and the PDP Group 1986). According to the connectionist model, what we have in our minds is not a warehouse of memories, but merely a capacity to generate links between a huge number of neurons that can be activated to different degrees. Depending on individual and contextual factors, the exact form and strength of triggered associations change at each reproduction of a given 'psychological entity' such as memories or knowledge. Connectionism thus postulates that knowledge resides not in the mental components or symbols, as the computer model of the mind wants it, but that it is implicit in the neuronal relationships themselves. Connectionism and PDP break through the lower border of cognitive approaches and move from the (hypothetical) symbolic level to the neuro-physiological. On this sub-symbolic level, distinctions between hardware and software become irrelevant; 'mind' and 'body' merge (Rumelhart, McClelland and the PDP Group 1986).

In a sense, this neuro-scientific perspective leads to the same view on human thinking as constructivist philosophy. The mind is modelled as being capable of adapting its own internal structures to changes in the environment as a function of experience: it is a self-organising, autopoietic system (Maturana and Varela 1980). Knowledge is seen not as an abstract stock of information that is kept in store and processed when needed, but as created in and through its use: it is distributed and emergent. As such, it is also intrinsically personal:

Given the complexity of networks, the billions of alternative theories they make available, and their ever-changing nature, it is quite unlikely that any two people [...] ever have identical networks (Gee 1992, p. 47).

In recent years, this model of the human mind has been massively promoted in AI research on neural networks. However, even though it represents an important step forward from traditional mind-as-machine approaches, its proponents have difficulties

including cultural factors in their study of human thought. As an example, James P. Gee (1992) claims that we learn the neural configurations via social apprenticeship. However, this assumption leads to the same circularity as traditional cognitivism: if the mind translates outside stimuli into inner representations, it has to have a mental lexicon available. Gee posits the existence of an 'interpreter' in the human mind, a unique neural system that makes inferences and constructs explanations. Connectionism thus remains an internal framework that explains how passively received inputs are processed: "The very idea that animals might act in and upon their environment – that they might *transform* it – finds no place in the new PDP models" (Costall 1991).

3.2.2 The collective mind: Social cognition

If connectionism moves 'downwards' from the symbolic to the neural level of description, social psychological approaches to human knowledge move 'upwards' to the social level by studying the mutual shaping between organisms and their environment. Even though studies on 'socially shared cognition' have received increasing attention in the last decade (for example Resnick, Levine and Teasley 1991), the suggestion that cognition is socially and culturally situated is not new. The forefather of schema theory, Frederic Bartlett himself, based his 'Study in Experimental and Social Psychology' (1932/1977) on Emile Durkheim's theory of collective representations.

Serge Moscovici's theory of social representations is a prominent example of recent social cognitive approaches that go back to this tradition. Moscovici and his followers maintain that cognition is socially mediated and determined by an individual's belonging to the social world. Through interaction, 'consensual universes of thought' are created that pervade individual mental processes. These universes of thought are constantly re-negotiated within a group's social interaction. Reminiscent of Vygotsky's

concept of the 'Mind in Society' (1978), Moscovici's hypotheses underline that a person belongs as much to a physical world as to a 'thinking society' (Moscovici 1988). This social psychological approach to the human mind has its sociological parallels in Berger and Luckmann's (1967) 'Social Construction of Reality' and Schutz's 'Phenomenology of the Social World' (1967) as well as in the social constructionist epistemology of Gergen and his disciples (see above). It adopts however a distinctively cognitive orientation: for Moscovici, social representations are forms of mental makeup. This postulate however also represents the main point of criticism of Moscovici's social cognitive psychology. As an example, Augoustinos and Walker (1995) point out that the relationship between the 'social mind' and individual cognition is difficult to determine hypothetically and even more difficult to verify empirically. Moscovici's claim that the locus of cognition lies wholly outside the individual also runs counter our common-sense feeling of mental independence and individuality (von Glasersfeld 1995). The problem of reflexivity - how an individual can 'think for himself' outside the 'group mind' - is mostly avoided in his approach (Jahoda 1988). In reality, cognition seems to be neither entirely internal nor completely external, but rather appears to be a bidirectional process. The thinking individual shapes his environment as much as it shapes him; the human mind is constructive *and* interpretive.

3.2.3 Cognition in the Head and in the World: Situated Cognition

The viewpoint that cognition is based on a bi-directional process is developed by proponents of the 'situated cognition' or 'situated action' approach (SA). The phrase 'situated action' was coined by the American sociologist C. Wright Mills in the paper "Situated actions and vocabularies of motive" (1940), in which he discusses the role language fulfils in the co-ordination of socially situated actions. Situated action researchers agree with social psychology that cognition is a relation of the individual

and his cultural and physical environment, but they emphasise the action orientation of this relationship much more than has been done in previous approaches. If cognitive psychology regards human activity as a by-product of cognitive processes, SA approaches cognition as manifest in action. SA is based on the notion that the world in which we live is utterly unpredictable and unstable. SA researchers reason that in such a world, internal knowledge representations such as schemas, scripts, plans or goals do not have much of a role to play. If the human mind was functioning according to the computer metaphor, the world would have changed “by the time we have collected information about the world and decided to act” (Norman 1993, p. 2). Human cognition, they argue, must be considerably more flexible than an information-processing machine in order to accommodate an unstable environment. Rather than being activated through outside stimuli, structures in the brain form during action itself; they are constituted through the system’s actions in a physical and social environment. In this sense, knowledge is not a substance that can be stored, but it is “*dynamically constructed as we conceive of what is happening to us, speak, and move*” (Clancey 1997a, p. 254; original emphasis).

William Clancey points out that externalised knowledge representations are always only useful as post-hoc rationalisations or as future-directed visualisation. In both cases, they are artifacts that do not directly affect the present (see figure 1).

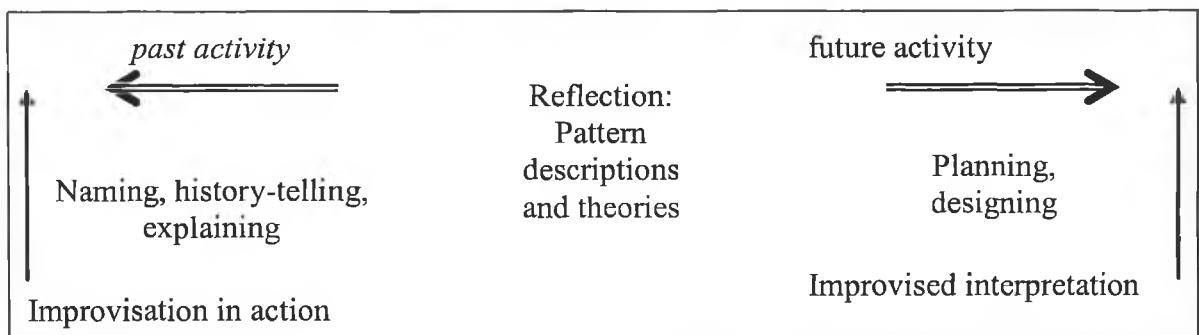


Figure 1: The situated action model of knowledge representations (Clancey 1997a, p. 260)

This means that people create knowledge representations such as schemata in a purposeful meaning-making act *post hoc*, thereby abstracting from the activity as such. If cognitive science mistakes such reflective representations as the externalisation of existing cognitive structures, it commits the ‘category error’ of conflating neurological processes with physical representations of our experience that we construct and manipulate as a means to an end (Clancey 1993). Paralleling pragmatism’s tenets, SA views representations as tools to solve problems: “Problem setting is a process in which, interactively, we name the things to which we will attend and frame the context in which we will attend to them” (Schön 1983, p. 40). Such ‘naming and framing’ can help in making sense of the world and our activities in the world, but the result is but a weak description of the reality to which it refers. As ways of reasoning about action, knowledge representations neither determine the actual course of situated action nor adequately reconstruct it (Suchman 1987).

As human beings act, talk and reason in a social world, cognition is inherently social in nature. Situated action proponents thus agree with approaches like Moscovici’s that cognitive structures are socially constructed:

What is ‘socially shared’ is not just language, tools, and expressed beliefs, but conceptual ways of choreographing action, by which descriptions and artifacts develop and are given meaning (Clancey 1997a, p. 277).

This view of cognition has significant consequences for issues of learning and knowledge transfer. If all knowledge is situated knowledge that is specific to a certain time and place, knowledge transfer has to take the form of ‘situated learning’ (Lave and Wenger 1991). Lave and Wenger’s study of apprentices in five different areas of ‘situated knowing’ - in primary health care, tailoring, butchering, navigation, and learning to become a reformed alcoholic – shows that situated learning is learning as participating through social practice; it is grounded in doing. Corroborating this

argument, Brown, Collins and Duguid (1989) and Greeno et al. (1998) maintain that even in highly theoretical areas such as mathematics instruction, where knowledge can hardly be said to be embodied, the situatedness of the learning experience is crucial. They propose a process of 'cognitive apprenticeship' as an alternative to conventional schooling that emphasises participation in inquiry (Brown, Collins and Duguid 1989). As Greeno et al. (1998, p. 14) point out, this conception of education characterises learning "in terms of more effective participation in practices of inquiry and discourse that include constructing meanings of concepts and uses of skills". It is apparent that such a conceptualisation of education could be highly significant for professional tuition such as sales training.

Coming from a 'neuropsychological' angle (Clancey 1993), situated action crosses the boundaries between the philosophy of knowledge and cognitive psychology. Indeed, most proponents of SA claim their philosophical heritage by reference to a wide range of thinkers such as Dewey, Mead and Durkheim (Suchman 1987) or even Heidegger and Gadamer (Winograd and Flores 1986). Their opponents however criticise their use of a non-operational vocabulary in a realm that is aimed at explaining and testing human behaviour and thought with the help of empirical evidence (Vera and Simon 1993b).

Critics of SA are not only sceptical about the vagueness of the approach, but they also reject the need for a whole new cognitive vocabulary. Symbolic representation, in their eyes, is not incompatible with the unpredictable nature of the outside world. They argue that symbol systems do recognise real-time feedback from the environment and that such feedback causes an instant re-computation of the system's internal knowledge structures. Environmental complexity leads to what traditional cognitive approaches call bounded rationality (Vera and Simon 1993a). It is argued that if SA researchers try to

get rid of the notion of internal representations altogether, they will resort to a naturalistic behaviourism that has no explanatory value (Hayes, Ford and Agnew 1994). Despite visible shortcomings in the vagueness and lack of operationalisation of core concepts, situated action approaches are recognised for shifting the focus of cognitive science from mind-internal mechanisms to the thinking system's 'situatedness' in the world and to the relationship between mind and body. SA is valuable in its caution against a 'naïve' cognitive representationalism that runs the danger of confusing the map with the territory – or knowledge structures with the world outside the mind. Like pragmatism in the philosophical realm, it points to the fact that knowledge *representation*, whether in the form of linguistic or pre-linguistic symbols, can only ever be a tool to be used purposefully. Only if such tools are used can they help to build an increasingly rich implicit understanding of the world; through their use the tool and the world will shape each other. From this perspective, situative frameworks also account for dynamic and interactive processes more efficiently than cognitive approaches (Greeno et al. 1998). At the most fundamental level, SA thus shows that it is impossible to mark a sharp line between a computing inside and the computed outside:

Human knowledge and interaction cannot be divorced from the world. To do so is to study a disembodied intelligence, one that is artificial, unreal, and uncharacteristic of actual behavior. What really matters is the situation and the parts that people play (Norman 1993, p.4).

3.3 Cognition and knowledge in research on personal selling

3.3.1 *The cognitive selling paradigm*

Some of cognitive psychology's concepts discussed above have found an enthusiastic reception in sales research as a means to explain some of the hitherto unexplained facets of the sales interaction. Sales researchers have emphasised the importance of sales professionals' customer knowledge as early as the nineteen sixties (Webster 1965). However, in a climate that still favoured behaviour-based sales force and performance research, it took more than a decade for the first empirical study tapping into sales people's cognition to be published (Weitz and Wright 1978). In this paper, Weitz and Wright measure the accuracy of sales people's impressions of their customers' choice spaces and its influence on their performance using a survey design and a multiple regression model. At the time of publication, the suggestion that sales performance is to some extent linked to a sales professional's underlying knowledge structures seemed to be a useful explanation for differences in the selling effectiveness of inexperienced and experienced sales staff and found a ready following particularly in American sales research. With their paper, Weitz and Wright set the tone for subsequent studies in the emerging 'cognitive selling paradigm' in three regards: firstly, by concentrating on the relationship between a sales person's cognition and her performance; secondly, by choosing a quantitative method to examine knowledge processes; and thirdly by (implicitly) adopting a schema-theoretical perspective:

The salesperson combines information gained through past experience with information gleaned from the specific interaction to develop an impression of the customer (Weitz and Wright 1978, p. 2).

This perspective is made explicit and refined in a theoretical article published eight years later (Weitz, Sujan and Sujan 1986). In this article, the researchers present five propositions on the relationship between sales people's customer schemata and their

ability to practise adaptive selling. They contend that a sales person's ability to practise adaptive selling will increase with a) the number of customer categories she holds; b) the degree of hierarchical organisation of customer categories; c) the degree of usage of underlying rather than surface characteristics for customer classification; d) the level of procedural knowledge possessed by sales people and e) the sales person's information acquiring skills. Thus, a sales person's customer knowledge is presented as the critical factor to cope with her complex, dynamic selling environment.

This article, alongside other theoretical formulations putting forward a schema-theoretical perspective of sales people's customer knowledge (Szymanski 1988; Sujan, Weitz and Sujan 1988) has sparked a number of studies investigating sales people's knowledge structures empirically. Typically, this research can be divided into:

- Research examining sales people's declarative knowledge: This stream of research studies the organisation of sales people's 'know that' or factual customer knowledge, namely her customer categories, cues used for classification and the accuracy of categorisation (for example Sujan, Sujan and Bettman 1988; Lambert, Marmorstein and Sharma 1990a and 1990b; Szymanski and Churchill 1990; Sharma and Lambert 1994; Sharma and Levy 1995; Gengler, Howard and Zolner 1995; Porter and Inks 2000; Sharma, Levy and Kumar 2000); and
- Research examining sales people's procedural knowledge: This research focuses on the 'know how' of sales people's knowledge from a cognitive perspective, in particular their call scripts for various phases of the selling process and other action sequences associated with the client encounter (Leigh and McGraw 1989; Leong, Bush and John 1989; Shepherd and Rentz 1990; Ainscough, DeCarlo and Leigh 1996; Sharma, Levy and Kumar 2000).

3.3.1.1 Sales people's declarative customer knowledge

Sujan, Sujan and Bettman (1988) were the first to empirically examine the assumption that sales people possess a certain number of customer categories that help them evaluate clients and adapt their sales strategies. In order to test their hypothesis that the number, richness and organisation of these categories differ depending on the level of performance of the sales professional, Sujan, Sujan and Bettman carried out a free-elicitation task designed to explore customer categories and strategies to deal with them. A sample of 41 students working part-time as telesales operators for a fundraising organisation was recruited for participation in the study and tested twice, once after completion of the week-long training programme and a second time after 15 weeks of telesales experience. For the second measurement, 'experts' were singled out from below-average performers through a process of supervisor evaluation. The empirical results show that no significant difference existed in the number of customer categories of high and low performers (6.3 versus 6.7 categories), but that high performers possessed richer and more overlapping categories as well as more developed strategies to cope with clients from each category. Sujan, Sujan and Bettman conclude that sales effectiveness is not related to the proliferation of customer categories, but rather to a qualitative change in the nature of these categories.

In a replication of this study in a retail context with a larger sample of 215 sales assistants, Sharma, Levy and Kumar (2000) arrive at somewhat contrasting results. Through the use of an open-ended self-administered questionnaire, these researchers find that the number of customer categories differs significantly between high and low performers (5.30 versus 6.08 categories) and that customer categories are more distinct for high performers, showing less rather than more overlaps between categories. Their results confirm however that the richness of customer categories (as measured by the

number of words used to describe each category) and the number of unique traits per category is higher for more effective sales staff.

The discrepancy between these two studies could be due to the highly dissimilar samples used; particularly, the small student sample in the Sujan, Sujan and Bettman study gives rise to concern over the generalisability of the study. In addition, the use of different measures for sales performance (supervisor appraisals versus the average annual hourly sales volume) could account for a variation in construct validity. Despite these discrepancies, the fact that on average telesales operators who rely solely on the customer's voice for impression formation are found to possess more customer categories than retail sales staff is remarkable and puts a question mark over the usefulness of categories based on physical characteristics.

Examining the difference in importance between a variety of physical and non-physical classification cues on a sample of retail sales assistants through a survey design, Sharma and Levy (1995) find that high performing sales people use different criteria to assign class membership to prospective customers. They discover three clusters of sales professionals: the 'need-based categoriser', the 'decision-style based categoriser' and the 'training-based categoriser'. Surprisingly, even though the need-based categoriser is found to be the most effective seller, the decision-style based categoriser is seen to adapt better to the client. The training-based categoriser, falling back on pre-defined customer categories, exhibits the lowest degree of adaptation and performance. For this reason, Sharma and Levy speculate whether the use of set customer categories in retail training sessions inhibits the development of effective categorisation more than it advances it. In the same light, Gengler, Howard and Zolner (1995), using a personal construct theoretical framework (Kelly 1955) and the laddering method to elicit customer constructs, emphasise the importance of heuristics that are learned over time

for the elaboration of sales people's categories. Consistent with Sujan, Sujan and Bettman's (1988) results, their study shows that the number of years of sales experience of individuals is related to the breadth of their constructs; their investigation however also shows a difference in the proliferation of constructs. The fact that unlike some of the aforementioned studies they detected a quantitative as well as a qualitative difference in customer categories may be partly due to the authors' assertion that for the development of cognitive structures, experience is a more salient independent variable than performance. Thus, it is likely that in comparison to novices, experienced sales people have a higher number of customer classes independently from their performance level, while qualitative differences in the structure of these categories are determined by sales effectiveness.

In sharp contrast with most of the findings reported above that claim to detect a difference in knowledge structure depending on the experience or proficiency of a sales person, a study by Szymanski and Churchill (1990) shows no substantial differences in the cues used by more or less effective sales people. Although a certain variation could be uncovered in the weights assigned to class membership criteria, Szymansky and Churchill conclude that "effective and ineffective representatives have the same amount of knowledge for performing the prospecting function" (p. 172) and go on to wonder "why there are not more differences" (p. 172) between high and low performers.

Given such contradictory results across different studies and in the light of Shama and Lambert's (1994) findings that sales people's perceptions of client needs are not very accurate in any case, it is questionable whether sales professionals' customer classifications as measured by retrospective verbalisation has any real impact on the sales interaction at all. It is conceivable that customer taxonomies represent post-hoc sensemaking more than a guide to future action; all of the studies cited above prompted

sales professionals to ‘describe the categories or types of customers’ that they encounter, thus provoking the respondent from the outset to think in terms of customer categories. In this sense, the only study that used participant observation instead of verbal self-reports in order to unearth real-life categorisation (Felcher 1995) concludes that customer taxonomies are a means for sales persons to maintain control over their working environment and reduce ambiguity, but that they do not necessarily rely on such classification in the actual sales interaction.

It is also noticeable that all of the studies described above investigate sales contexts where once-off interactions are the norm; the development of customer classifications throughout a history of buyer-seller interactions has as yet been ignored. Reviewing the extant literature, Macintosh et al. (1992) call for such a relational perspective on sales people’s customer knowledge; they also suggest an examination of the actual sales interaction in order to avoid the measurement of retrospective sensemaking rather than sales people’s theories-in-use.

3.3.1.2 Sales people’s procedural customer knowledge

A different stream of the cognitive selling literature has evolved around Schank and Abelson’s (1977) notion of scripts (for example Leigh and Rethans 1984; Leigh 1987; Leigh and McGraw 1989; Leong, Bush and John 1989; Shepherd and Rentz 1990; Ainscough, DeCarlo and Leigh 1996). Leigh and Rethans (1984, p. 22) define scripts in the sales context as stereotypical action sequences that guide buyers’ and sellers’ thinking and behaviour in the sales interaction. In contrast with content-related customer schemata, scripts represent task-specific knowledge that translates more readily into performative structures. Leigh and McGraw (1989, p. 31) describe sellers’ scripts as “guides to behavior” - as such, the relationship between sales people’s

procedural knowledge and their sales success should be easier to demonstrate than that between customer categories and performance.

Indeed, in two experiments involving life insurance sales staff, Leong, Busch and John (1989) found that highly effective sales people have more elaborate, more distinctive, more contingent and more hypothetical scripts than their low performing colleagues.⁴ Differences between high and low performers' scripts were particularly pronounced for more complex and/or less typical selling scenarios, indicating a link between script elaboration and sales person adaptability. Incidentally, the relevance of the situational variables complexity and typicality could provide an additional explanation for the inconsistencies found in studies focussing on sales people's customer schemata. It is likely that the impact of sales people's knowledge structures on performance is highly contingent on the situation in which this knowledge is brought to bear. Thus, studies conducted in different industries with a dissimilar level of complexity of the selling task are bound to arrive at dissimilar results.

In a script elicitation exercise of a sample of highly experienced industrial sales people, Leigh and McGraw (1989) also hint at the importance of situational variables: their own research examining buyer scripts (Leigh and Rethans 1984) indicates that script congruence between buyers and sellers is essential for successful selling. The interactive and situational nature of the sales encounter mitigates against the use of highly simplistic behavioural routines in sales training. Even though the modelling of sales scripts is considered constructive in providing a number of generic recipes for novice sales staff, it seems important that such guides to behaviour are very carefully designed.

⁴ Distinctiveness of scripts describes the extent to which an action is unique to a particular track of a script; hypotheticality refers to the degree of abstractness of script knowledge content (Leong, Busch and John 1989).

For this reason, Leigh and McGraw (1989) call for the inclusion of a variety of validation methods such as field observation when researching sales people's procedural knowledge.

Following this call for more elaborate approaches to the investigation of sales scripts, Shepherd and Rentz (1990) focus on the development of a method for studying the cognitive processes of highly skilled sales people. They propose a combination of the critical incident technique, role play and verbal protocols to explore the differences in the cognitive selling scripts of high and low achievers. In order to avoid the problem of retrospective verbalisation, Shepherd and Rentz employ 'think aloud' protocols that record thought processes as they unfold. However, even though their method of eliciting procedural knowledge is characterised by a heightened realism of the problem situation, its validity may be jeopardised by the potential fatigue factor caused by the considerable time demands the method makes both on researchers and subjects. In addition, the critical incident technique focuses on atypical situations rather than typical selling scenarios, which conflicts with their purpose of developing generic call scripts for sales training.

Shepherd and Rentz' article shows that from a methodological perspective, elicitation of procedural knowledge may be even more complex than research on declarative knowledge structures. By definition, the significance of procedural knowledge is contingent on situational circumstances and the congruence of a sales person's knowledge with the buyer's. In a social interaction such as the sales encounter, even a very intricate selling script can be ineffective if it is not flexible enough to accommodate the unique characteristics of a sales interaction. A sales person's performance may therefore be less dependent on the 'richness' of her existing knowledge structures than on her ability to adapt to previously unknown and maybe

even unexpected situations. In this sense, Morgan and Stoltman's (1990) call for a broader view of sales person's knowledge structures beyond the individual perspective seems to be warranted. Introducing insights from social cognition to the cognitive selling paradigm, Morgan and Stoltman point to the need "to move beyond examining knowledge alone to also consider the ways in which knowledge is used" (p. 45). In their view, theory-driven information processing frameworks such as schema and script models do not take into account the flaws and biases that govern human thought processes. In addition, these models mostly overlook the existence of other causal agents who "perceive back" (p. 50) and thus trigger a process of mutual adaptation. The truly successful sales professional, in Morgan and Stoltman's account, is not the one with the most complex knowledge structures, but the one who possesses the greatest capacity "to learn, read and react quickly" (p. 50). In opposition to most of the aforementioned studies within the cognitive selling framework, Morgan and Stoltman also doubt the effectiveness of traditional training focussing on prospect categories or typical sales scenarios. Such 'inculcated' knowledge structures may inhibit the diagnostic abilities a sales person brings to bear *in situ*. Instead, sales people should be given the opportunity to learn through a process of trial and error, provided that flawed attributions are controlled. In sum, successful sales people need to have 'sensitive' knowledge structures that quickly adapt to the consequences of the encounter of "two equally susceptible cognitive machines" (p. 52) rather than a highly complex network of pre-formulated knowledge.

It is possible that rather than being directly responsible for successful adaptation, differences in knowledge structures influence a sales person's *predisposition* to practise adaptive selling. In a recent study, Porter and Inks (2000) showed that sales people who have a heightened interest in understanding behaviour and who recognise the interactive

nature of sales interaction are more capable of adapting their sales strategies to situational variations. Thus, what they call 'cognitive complexity' is indeed likely to be linked to sales performance, but only by influencing the degree of a sales person's mental involvement in a given selling situation.

To conclude, the cognitive selling paradigm has been highly valuable in promoting a focus on and understanding of sales people's knowledge of clients and selling situations; thus steering sales research away from behaviouristic models of the sales interaction and selling performance. It has focussed the attention of academics and practitioners on the (negative or positive) influence of cognitive heuristics on the sales encounter and it has sparked initial contributions to bringing together research on buyers' and sellers' thought processes (for example Hunt and Bashaw 1999). However, in line with criticism directed at schema theory in general, it seems that researchers operating in the cognitive selling paradigm need to incorporate situational and interactive variables to a much larger extent in the existing framework in order to account for real-life cognition. Most crucially, even though the cognitive selling paradigm managed to tap into the individual dimension of sales knowledge, the cultural dimension has not been accounted for by this line of investigation. In addition, research in the cognitive selling paradigm has until now concentrated solely on the accuracy and effectiveness of sales people's knowledge structures to explain sales success. More qualitative studies such as Felcher's (1995) participant observation of car salesmen are needed to shed light on the question of how sales people's perception of self and of the sales encounter differ if they use different cognitive heuristics. Furthermore, longitudinal studies are necessary in order to investigate the development and origin of sales people's people and situation schemata.

3.4 Lessons from psychology

This chapter has highlighted how the cognitive vocabulary, which has been in use since the early nineteen seventies, has come under attack from different angles in the last decade. Research efforts now aim at including the social and physical environment in cognitive models of a thinking self, thereby endeavouring to draw a synthesis between behaviouristic stimulus-response frameworks and internal information-processing theory (Greeno and Moore 1993). These new approaches to human cognition have refocused the cognitive research agenda away from artificial settings to dissect human knowledge toward an inquiry into real-life cognition and an 'epistemology of practice' (Schön 1983). Thought is now seen as embodied rather than abstract, which from a research perspective means that "to come to terms with the thinking subject is to come to terms with the actions and practices its thoughts are implicated in" (Arbib and Hesse 1986, p. 39). Artificial Intelligence (AI) research has been one of the first areas to call for an inclusion of user practices into cognitive research (Winograd and Flores 1986; Suchman 1987; Orlikowski 1993). AI research has also set examples for alternative research methods and a terminology to complement traditional information-processing research. Thus, Lucy Suchman (1987) uses ethnomethodology for her study of human/computer interfaces, Terry Winograd and Fernando Flores adopt a phenomenological approach to 'Computers and Cognition' (1986), and Wanda Orlikowski's (1993) study of IT tools in systems development is based on a grounded theory approach. Their studies as well as research in other areas such as education (Lave and Wenger 1991) and management (Schön 1983) have shown that an emphasis on practice and action can overcome some of the limitations that the information-processing approach has encountered (Greeno and Moore 1993). As Arbib and Hesse (1986, p. 127) point out, there is an inherent tension between formal *models* of

phenomena such as cognition and the richer *description* of human experience – and the balance in cognitive science, so long on the modelling side, now seems to have swung to the experiential side.

In this sense, it is rather surprising that, as the above discussion showed, research on sales cognition has not yet taken heed of these recent developments in cognitive science. Until now, cognitive selling research has rested firmly on schema-theoretical ground, treating the sales person as an information-processing machine that could be modelled and evaluated according to the accuracy and efficiency of input-output processes. Alternative accounts of how sales people know are not existent or, if existent, not widely available. Indeed, this contention seems to be true for the marketing field at large. Even marketing sub-disciplines that traditionally demonstrate a strong theoretical leaning such as consumer research have used schema theory as the predominant framework for researching cognitive processes. Thus far, alternative accounts of human cognition do not seem to have filtered through to the marketing arena. This is even more remarkable given the extensive resources that have been put into schema-theoretical studies in the discipline over the last 20 years. It now seems essential to carry out investigations of marketing actors' knowledge structures in general and sales people's customer knowledge in particular outside schema-theoretical notions. Situated action approaches and social psychology give us an indication of what we might expect from such 'alternative accounts' of people's real-life expertise. However, 'real-life expertise' has to be studied in real life – through empirical investigations of sales people's knowledge structures without reliance on schema theory.

4 The wider dimension of sales people's customer knowledge: Insights from knowledge management

In parallel with research on individual knowledge structures inspired by cognitive psychology, a discussion on processes of knowledge acquisition and sharing at the organisational level has emerged in the managerial literature over the last five years. The question of how to manage human knowledge in firms has proven to provide rich opportunities for research on knowledge acquisition, distribution and codification as well as inquiries on information technology tools to support these processes. Even though it is beyond the scope of this thesis to provide a comprehensive review of the mushrooming knowledge management literature (for a literature review see Scarbrough, Swan and Preston 1999), this chapter will outline the major lines of inquiry in this literature and its (lack of) adaptation in sales research.⁵

4.1 What is knowledge management anyway?

In Marshall, Prusak and Shpillberg's definition (1997, p. 229) knowledge management is "the attempt to recognize what is essentially a human asset buried in the minds of individuals, and leverage it into an organizational asset that can be assessed and used by a broader set of individuals on whose decisions the firm depends". Knowledge management as an academic and practical issue emerged at a time when competitive advantage started to be less attributable to a company's tangible assets than to its intellectual capital. As the globalisation of markets and the commodification of production resources put increasing pressure on firms, academics and practitioners

⁵ As will be shown, a discussion of knowledge management concepts in academic and professional sales outlets is largely conspicuous by its absence.

realised that the knowledge employees bring to their job is the only inimitable economic resource a company possesses. While previously the main focus of research on organisational cognition lay on the decision styles and thought processes at the managerial level (see Walsh 1995 for a review), the 'new' emphasis on knowledge as a firm's strategic asset includes a much broader concern over knowledge processes at all levels of the company.⁶ The challenge of knowledge management (KM) is to determine how organisational knowledge is created or acquired, used, captured, communicated and shared with others. Thus, the discussion in the KM arena has revolved around four major themes: a) individual creation of knowledge; b) the application of knowledge in organisational work; c) team processes leveraging individual knowledge; and d) infrastructural requirements for knowledge management with a particular emphasis on information technology. From a methodological perspective, most of the published studies fall into one of two categories: they are either theoretical discussions addressed at an academic audience (for example Tsoukas 1996) or 'how to do knowledge management' guidelines for practitioners based on a small number of success stories (for example Buckman 1998). Empirical investigations at an academic level are mainly based on case study approaches; other methodological options to investigate organisational knowing have been called for but not yet put into practice (for example Partington 2000).

⁶ It has repeatedly been pointed out in the literature that this 'new big trend' is not that new at all: the focus on intellectual assets can be traced back over Daniel Bell's writings on the postindustrial society through Francis Bacon's political economy to the ancient Greeks (Quintas, Lefrere and Jones 1997). It also needs to be noticed that researchers such as Karl Weick (Weick 1969; Daft and Weick 1984; Weick and Bougon 1986) anticipated most of the current 'findings' in the knowledge management in their academic writings long before the term was coined.

4.2 The individual as the locus of knowledge creation

The *gravitas* of the term 'knowledge' has been used from the outset to demarcate knowledge management's research area.⁷ *Knowledge* in this body of literature is frequently defined in opposition to *data* and *information*. As an example, data has been defined as "observations of states of the world", information as "data endowed with relevance and purpose" and knowledge as "information with context, meaning, interpretation and synthesis" (Davenport and Prusak 1997, p. 9). Incorporating pragmatism's epistemological concepts and findings from the organisational learning literature, many academic KM researchers emphasise the embodied and individual nature of knowledge in opposition to the de-contextualised and codified nature of information (for example Glasser 1999). From this perspective, knowledge is always linked to an individual using it in some form in his field of activity; 'knowing how', that is the practical skill or expertise of a knowledge worker, precedes 'knowing that', namely its formal expression, in the arena of organisational problem solving (Kogut and Zander 1992). Polanyi's notion of tacit knowledge as rooted in action and involvement in a specific context (see chapter 2.1.2) has widely been adopted to explain why individuals in organisations 'know more than they can tell'. Nonaka and Takeuchi's (1995) best-selling monograph on the 'knowledge-creating company' is built upon his distinction between tacit and explicit knowledge, Sparrow (1998) integrates tacit knowledge into his discussion of 'mental materials' and Baumard (1999) dedicates an entire work to tacit knowledge in organisations. In all these works, knowledge is seen as being constructed by individuals; as Nonaka (1994, p. 17) points out, "an organization

⁷ The implicit terminological inflation that underlies this expression particularly if used in an IT context has been pointed out by Schrage (1996, p. 37), who suggests that instead of 'stopping at knowledge management' the area should finally proceed to 'wisdom management'.

cannot create knowledge without individuals". Nonaka (1994) describes the individual knowledge-creating act as an act of intentionality, self-motivation and continuous interaction with the environment. The thinking, autonomous individual recreates his own system of knowledge to put order to a world of fundamental chaos, randomness and noise. Thus, it is only through his experience in and of the world that the individual knows his environment. In all the papers cited above, 'hands-on' or 'brains-on' experience of a problem space is considered as the main source of knowledge creation (Glasser 1999).

It is remarkable that the discussion on individual knowledge creation in this body of literature adopts philosophical and psychological concepts that have long been overlooked in organisational research. As mentioned, Polanyi's notion of tacit knowledge sparked a whole stream of publications on knowledge creation processes in research and development (Madhavan and Grover 1998), marketing (Hackley 1999) and other areas. In addition, researchers such as von Krogh and Roos (1995; 1996) have adopted Maturana and Varela's concept of autopoiesis, and Cook and Brown (1999) use a situated action framework to explain the 'generative dance' of organisational knowing. Common to these alternative perspectives on individual knowledge is a stringent criticism of the cognitivist epistemology. For these researchers, the cognitivist assumption that managers create knowledge representations through probability heuristics, improve these representations towards the ultimate goal of attaining truth and share them with other organisational members in a 'cartography of logic' (von Krogh and Roos 1995, p. 17) has failed to provide any insight into real-life knowledge systems. Instead of concentrating on knowledge as a possession, research should study organisational knowing as *relating* to the world and *interacting* with it (Cook and Brown 1999). Likewise, *construction* has been posited as a metaphor that affords more

ecological validity than the concept of knowledge *representation* (Durand, Mounoud and Ramanantsoa 1996). With this shift from a focus on knowledge content to the process of knowledge creation, this stream of the knowledge management literature acknowledges the dynamic context in which organisational knowing takes place. Von Krogh and Roos' (1995, p. 166) statement that "we can but briefly represent what we know before it alters" seems to be particularly valid for the organisational environment in its constant state of flux.

4.3 Team processes and knowledge sharing

Even though the locus of knowledge creation is the individual, organisational action is often dependent on individuals co-operating and sharing their embodied knowledge to achieve a common end. As Boland et al. (2001) recently observed, a certain amount of 'knowledge representation' will therefore always be necessary to transfer knowledge from one individual to another. The form such representation takes however may be adapted to facilitate easy transformation of the knowledge content into action.

Nonaka and Takeuchi's knowledge spiral (see figure 2) is an example of how knowledge management researchers describe the dynamics between individual and group knowledge in organisations. In this model, Nonaka and Takeuchi present four processes of knowledge conversion between the individual and the group level: (1) socialisation, which is transmission of tacit knowledge to tacit knowledge through sharing experience, observation, imitation and practice; (2) externalisation, the process of articulating tacit knowledge into explicit concepts through metaphors, analogies, models or hypotheses; (3) combination, the process of integrating explicit knowledge into a knowledge system such as a database; and (4) internalisation, which is the process of embodying explicit knowledge into tacit through learning by doing.

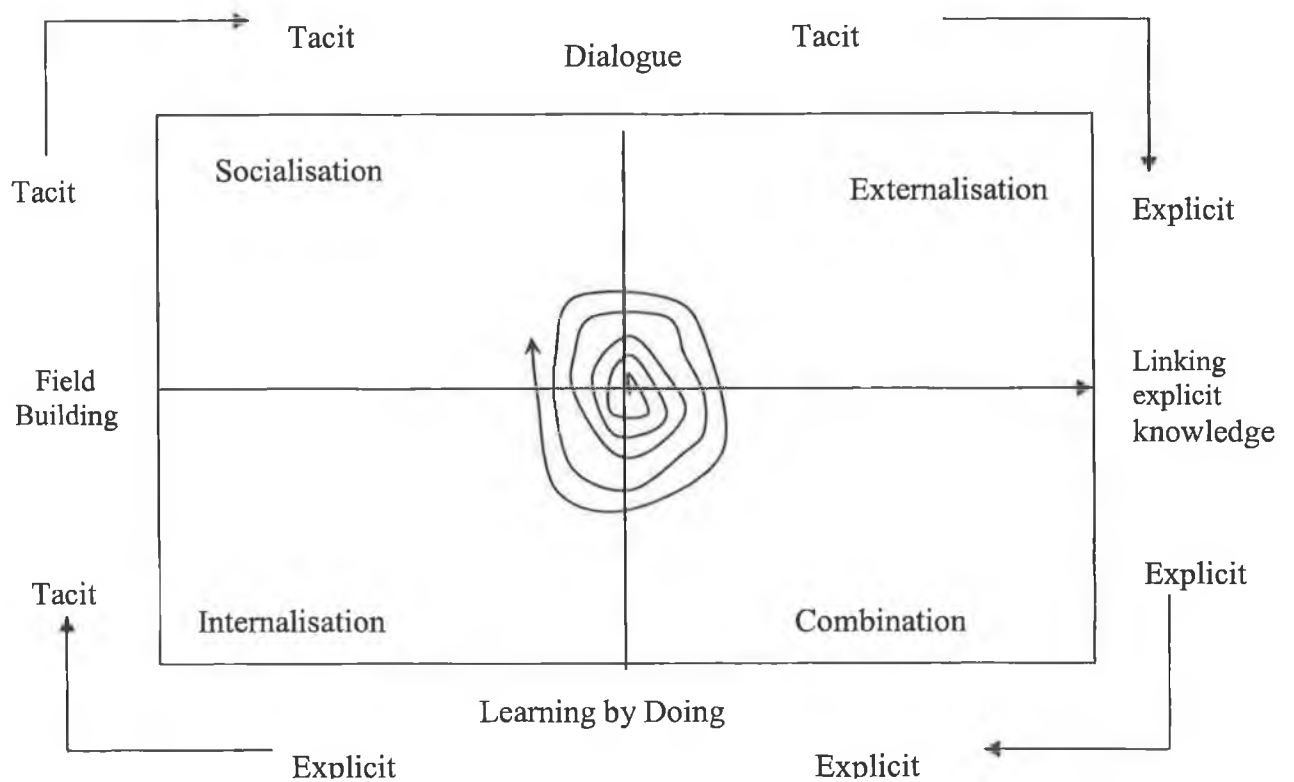


Figure 2: The knowledge spiral (Nonaka and Takeuchi 1995, p. 71)

Thus, Nonaka and Takeuchi (1995) claim that tacit, embodied knowledge does not have to remain at the individual level; through adequate processes it can be shared with others and even converted into explicit knowledge. They underline the role that language plays for these knowledge conversion processes; language is the means through which individuals can communicate their mental models and orient each other to their practical know-how. Language is also the means through which a company can create 'requisite variety', that is the preservation of different viewpoints and understandings that prevent a company from falling into routine solutions. Thus, language is the tool that provides a common ground as well as a forum for discussions about differences in understanding.

Under diverse headings, much of the knowledge management and organisational learning literature recognises these four processes of organisational knowledge sharing.

As an example, Lave and Wenger (1991) as well as Brown and Duguid (1991) emphasise the importance of communities of practice as a way of transmitting know-how from one individual to another. Such 'learning grounded in doing' is a central part of the apprenticeship that occurs in work groups. Besides learning how to 'do a specific job', this process also allows for the development of a shared mental frame, mutual engagement and in-group relationships – thus, it allows for socialisation in more than one sense. In concurrence with Nonaka and Takeuchi's (1995) emphasis on metaphors and analogues for knowledge externalisation, Boland and Tenkasi (1995) stress the role of 'narrativizing' for perspective taking in communities of practice. If a large part of an individual's knowledge is indeed tacit, unstructured conversational knowledge sharing processes seems to be vital to a firm's success. Thus, KM experts recommend that firms "hire smart people and let them talk to one another" (Davenport and Prusak 1998, p. 88). Not only does a communicative space allow the externalisation of previously tacit individual knowledge, it also generates new knowledge through the combination of different perspectives. Knowing, in this sense, is not only an individual act, but also a collective accomplishment (Araujo 1998): communication shapes individual representations and creates a shared reality (Durand, Mounoud and Ramanantsoa 1996). It is important to note that most of the literature on knowledge sharing in work groups and organisations states that knowledge 'transfer' is problematic; the transmission of knowledge structures always involves a certain transformation of the structures as the receiver recreates his own version of the sender's work (Sveiby 1996; Kriwet 1997). Thus, this body of literature breaks with the traditional transmission model of information processing in favour of a more constructivist and social constructionist view of knowledge sharing processes.

4.4 Organisational design to enhance the knowledge flow

The recent emphasis on tacit knowledge and communities of practice as a means of transfer of the same has significant implications for organisational design. As Bonaventura (1997) points out, if knowledge is created and shared through human interaction, it is above all a *cultural* product. Thus, it is the task of management to create a knowledge culture, namely an environment where knowledge sharing is encouraged, facilitated and rewarded. Unfortunately, as many researchers notice, the current organisational climate in many companies is less than conducive to processes of knowledge transfer and exchange (Demarest 1997). Typically, knowledge is seen as conferring power on an individual; it is considered as a safeguard for employment, recognition and self-esteem. To share what is often perceived as a personal property, individuals must be convinced that the organisation puts as much value on the sharing of knowledge as on the possession of knowledge (Jordan and Jones 1997).

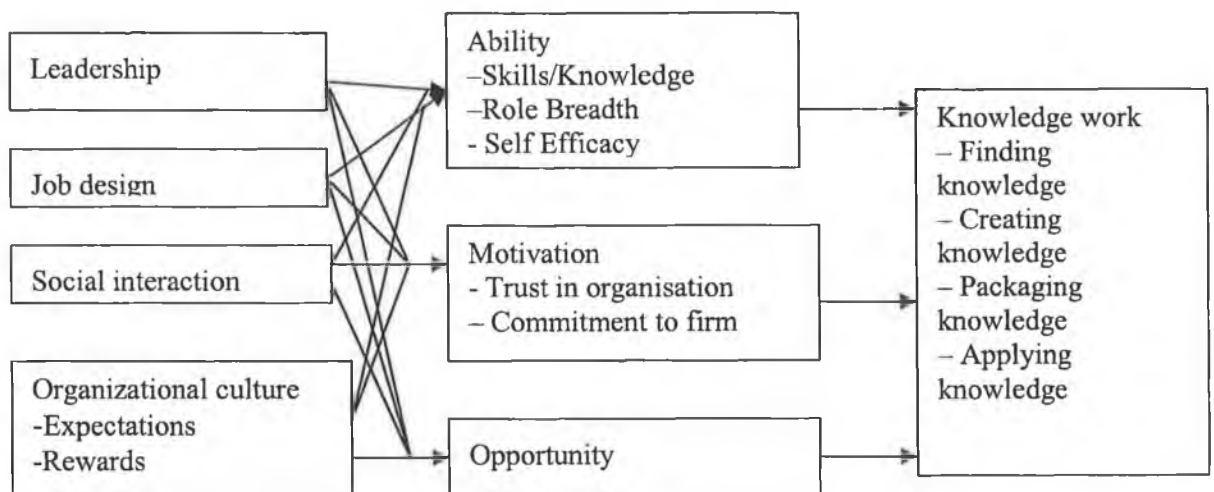


Figure 3: Model of knowledge use in organisations (Kelloway and Barling 2000, p. 294)

As figure 3 shows, Kelloway and Barling (2000) identify three factors that determine individual willingness to share knowledge in an organisation: ability, motivation and opportunity. From an organisational perspective, it requires transformational leadership,

a review of job designs, an increased level of social interaction and an organisational culture that rewards communicative behaviour to establish these three conditions. Thus, without a thorough review of organisational structures and operational procedures, knowledge management will rarely be successful in creating a corporate mindset that is conducive to knowledge creation and transfer. Organisational structures have to take into account the intrinsically personal and embodied nature of knowing; issues of emotional and resource ownership have to be tackled and ample opportunities for social interaction between employees provided. Nonaka and Takeuchi (1995) coin the term 'hypertext organisation' for a firm that exhibits the characteristics that facilitate the easy flow of knowledge between its employees; Lam (2000) uses the term 'J-form' organisation to depict a firm with a strong reliance on team relationships and a shared knowledge culture. Incidentally, the 'J' in the latter expression stands for 'Japanese', which hints at the fact that this type of organisation is currently more prevalent in Eastern management cultures than in most Western firms.

4.5 'Information' technology for 'knowledge' management: an oxymoron?

The above discussion on organisational structures for knowledge management shows that knowledge management is as much a people issue as it is a technological issue. Indeed, it seems that the heightened interest in the notions of knowledge as individual and as rooted in action at the end of a computer-frenzied decade comes as a reaction to the (mostly unfulfilled) promises that information technology and database developments made with regard to the leveraging of corporate intelligence (Clancey 1997b). Although part of the knowledge management literature is replete with discussions on the latest knowledge management tools, many academic researchers recognise the fundamental differences between human knowledge and electronically stored data. As an example, Weick (1997) detects five 'deficiencies' of electronic

contexts that mitigate against the storage of knowledge: (1) action deficiencies: computer-provided information is devoid of direct feedback and revision through human activities; (2) comparison deficiencies, namely the lack of varying perspectives on the same 'reality'; (3) affiliation deficiencies: the electronic environment does not provide crucial opportunities for knowledge networks and social interaction; (4) deliberation deficiencies, which indicate the accelerated decision time caused by computerised information; and (5) consolidation deficiencies: users fail to see that they need to reach outside the system for a different set of assumptions to understand what is happening inside the system. Weick recommends to "push back the computers and walk around" (1997, p. 257) in order to enhance and exchange knowledge with others rather than rely on computer-fed input.

Even if this call is an extreme corollary of the shortcomings of computerised 'knowledge management' and may not be applicable to all circumstances, many researchers acknowledge that the "real problem with computers" lies in the fact that the highly structured, codified and de-contextualised system they provide does not correspond to the contextual and complex nature of human knowledge (Schrage 1997b; p. 178). It seems that rather than acting as a representational tool, information technology in knowledge management plays its most important role as an enabling factor (Schrage 1997a). So-called 'groupware solutions' such as Lotus Notes[®] and other collaborative technologies respect the constructed and individual nature of people's knowledge and provide a communicative environment in which group dialogue and perspective taking can take place (Crowe, Beeby and Gammack 1996). Moreover, companies also have to be aware that, as Pentland (1995) notes, information technology is never value-neutral. Both from a structural and content point of view, it shapes the individual and the social system in which it is used and affects the objects and the

criteria for knowledge construction. As with other representational tools, the tool that is IT often shapes the very reality it is supposed to depict.

Thus, despite the many advances in information systems research, the epistemology of the human brain and that of databases and IT platforms are so fundamentally different that many researchers now agree that IT will never fully replace human interaction in the generation and transformation of knowledge. It is an enabling factor that is particularly important for geographically dispersed companies. If it is designed with the user in mind, it can sometimes have a positive effect on the knowledge culture of the organisation by promoting openness and communication (Davenport and Prusak 1998). The 'sedentary quality' of information technology (Weick 1997, p. 252) however ultimately separates it from the one characteristic that makes human knowledge the valuable resource it is: its faculty to be used and updated in action.

The link between knowledge and action seems to be the most valuable lesson that KM research has learned from recent psychological developments and from the philosophy of knowledge. Organisational knowing, from this perspective, is about 'what works' and not necessarily about 'what is empirically correct' (Bonaventura 1997, p. 84). It is a perspective that breaks with the notion of truth value – or in modern terms 'accuracy' – as the most central condition of human knowledge. The 'epistemology of possession' that has governed the design of IT tools and organisational structures for so long is in this view replaced by an 'epistemology of practice' (Dunne 1999). Such an epistemology of practice acknowledges that knowledge used in the organisational environment is

...knowledge brought into play in the concrete, dealing with this situation now, which may be perfectly standard and typical [...] but which may not be exactly to type, may indeed be *sui generis*, or deviate in an indefinite number of respects from what is standard or conventional (Dunne 1999, p. 709).

It is knowledge that is flexible enough to handle the indeterminacy inherent in human affairs and organisational life; it is knowledge generated by the real-life experiment of learning by doing – an experiment in which members of a firm engage every day.

4.6 Knowledge management in the sales department

As intimated before, research on managerial cognition as expressed in schema-theoretical notions and cognitive mapping has found a welcome echo in sales research. Surprisingly, the same does not hold true for knowledge management research. Even though sales research is still concerned with sales people's structure of knowing (for example Porter and Inks 2000), the recent surge in knowledge management research has left the sales arena virtually unaffected. While the intelligence researchers Sternberg, Wagner and Okagaki (1993) used the concept of tacit knowledge early on in a sales context, it has not really been taken up by sales researchers since. Apart from theoretical exhortations by knowledge management guru Thomas Davenport (1998) to 'turn customer data into knowledge' and to be alert to potential resistance from the sales force, Bennett's recent (2001) article on the applicability of the Nonaka-Takeuchi model in a sales context is the first and only sales publication to take notice of the discussions reviewed above. In this article, Bennett describes a survey of 113 large business-to-business sales organisations in the UK designed to assess whether the Japanese concept of 'ba' has any relevance for a firm's selling success. 'Ba', as defined by Nonaka and Konno (1998, p. 40), is "a shared space of emerging relationships" and can be physical, virtual or mental in nature. Such a shared space is supposed to facilitate the processes of socialisation, externalisation, combination and internalisation – that is the entire spiral of tacit and explicit knowledge conversion (see figure 2 above). The transmission of tacit knowledge in particular is assumed to be encouraged through the existence of a shared mental, virtual or physical space where conversation can take place.

Recognising that sales is “increasingly a knowledge-based function” (Bennett 2001, p. 191), Bennett measures the relationship between various organisational factors and knowledge sharing processes in sales departments. He concludes that the existence of ‘ba’ in a firm has indeed a beneficial impact on sales force performance as well as on sales managers’ satisfaction with their IT systems. ‘Ba’ also lessens sales people’s reluctance to share knowledge and improves their willingness to accept change. The positive effects of ‘ba’ were visible in bureaucratic companies as much as in companies with flat hierarchical structures and in firms operating in stable markets as much as in companies with highly dynamic environments. Thus, ‘ba’ seems to be a universally beneficial concept to improve a sales organisation’s performance.

Besides representing a first step into the direction of examining the potentially important ideas and models of knowledge management in a sales context, this study also highlights the significance of tacit knowledge for sales management: nearly a third of Bennett’s respondents agreed that most of their organisation’s knowledge was held in the heads of employees rather than in documents or databases (p. 193). This figure may be explained using Lam’s (2000) typology of organisations, markets and societies in relation to the role tacit knowledge plays for organisational learning. According to this typology, many sales professionals work in an environment with a low level of professional formalisation and ‘academic bias’ (p. 500), which can be recognised by the fact that most sales organisations have a relatively low level of academic entry requirements and a high level of vocational training. In such an environment, an important part of the professional’s knowledge is tacit, originating from his participation in communities of practice and work groups. In addition, sales people operate in an area that is characterised by ‘wicked problems’ (Malhotra 1997) and ill-defined problem spaces: their daily life is to deal with ‘human affairs’ (Dunne 1999). As

Schultz, Evans and Good (1999, p. 591) point out, sales people entering a buyer's environment are like strangers in a culture where "a successful excursion is in no small part dependent upon their ability to identify and adapt to the cultural demands" of the foreign environment. The knowledge they build up during these excursions is thick anthropological knowledge: it is knowledge gained through the bodily experience of the buyer in the selling encounter and thus knowledge that is rooted in action. To study sales people's knowledge in these terms means breaking with the prevalent cognitive selling paradigm that seeks objectivity and detachment at the expense of the context dependence of the first-person experience (Dunne 1999). It means revisiting some of the philosophical concepts described in chapter two, which have been overlooked entirely in sales research, and it finally means adopting a methodological stance that allows the researcher to be open to all facets of a sales person's customer knowledge. This is what the present study proposes to do.

5 The grounded theory method as a strategy of inquiry

5.1 Methodological options for the study of customer knowledge

5.1.1 Ethnography: A thick description of the sales interaction

From a methodological point of view, sales research is a somewhat monolithic edifice. Bush and Grant's (1994) meta-study of sales management research from 1980 to 1992 reveals that over 76 per cent of all empirical articles (184 out of 241) published during that time used the survey method (Bush and Grant 1994). 16 out of the 241 empirical articles (6.6 per cent) used laboratory experiments and 15 used field experiments. Secondary data were the basis of 13 studies and a case study design was the method of inquiry in 10 cases. Content analysis and longitudinal designs were the least frequently used, with six and five articles based on these methods respectively. Until 1992, interpretive methods of inquiry had not found their way into published sales force research. Accordingly, Bush and Grant also observe a lack of sales research that considered the interaction between sales person and the situational context – a topic that is explored best using qualitative methods. It is remarkable that 28 per cent of the articles examined by Bush and Grant did not use any conceptual framework or theoretical foundation, although they were published in the four major academic journals in the area (Journal of Marketing, Journal of Marketing Research, Journal of Personal Selling and Sales Management, Industrial Marketing Management). Of those that made explicit use of a conceptual ground, 63 were based on social psychology and 16 on cognitive psychology (Bush and Grant 1994). The insight that sales research rested on a few select methods and often lacks a theoretical backbone drove the AMA faculty consortium on sales and sales management in 1992 to call for the use of a broader variety of research methods and theoretical frameworks in the area.

In more recent years, this call has partly been answered. In the area of customer interaction, Lawson (1997) and Sharma et al. (1999) use in-depth interviews in their respective investigations of buyer-seller relationships to explore partnering phenomena. The outcomes of both studies illustrate that qualitative approaches can indeed yield interesting insights into customer relationships; however, neither of these studies make their conceptual foundations explicit nor seem to use a specific methodological framework. More importantly, in both studies in-depth interviews seem to be used as a straight replacement for the traditional survey method; in Sharma et al.'s (1999) study, for instance, a theoretical framework and a number of propositions are postulated that are subsequently 'tested' through depth-interviews. It is likely that a more consistent inductive approach to the phenomena under study would have allowed more scope for the discovery of the unexpected and unexplored, which is precisely the strength of qualitative research.

The use of ethnographic methods is one possibility to explore heretofore unknown or understudied aspects of sales research. Ethnography was presented as a useful vista for broadening the scope of existing sales force research by Swan, McInnis-Bowers and Trawick Jr. in 1996. In their article, Swan and his colleagues stress the need for inductive research in the sales arena and the potential of ethnographic research for understanding the sales activity from the participant's perspective, studying the unstudied, exploring concepts and discovering how people interpret and make sense of their situations.

Ethnography has its origins as a research strategy in the methods of cultural anthropologists such as Malinowski, Boas, Radcliffe-Brown or Margaret Mead at the beginning of the twentieth century. These researchers believed that social and cultural phenomena had to be studied first-hand from the point of view of a 'marginal native'

(Atkinson and Hammersley 1994). During the first half of the twentieth century, sociologists such as William Thomas, Robert Park and W. F. Whyte from the University of Chicago's Department of Sociology used similar methods to study urban phenomena from a participant's perspective. They advocated the researcher's often prolonged immersion into the research setting, an inductive approach to social phenomena and the objective of creating 'thick descriptions' of the participants' structuring of their world (Geertz 1983). Ethnography has become increasingly popular outside sociology and anthropology over the last decade, when a decline of confidence in quantitative theory-testing research opened the door to alternative approaches. As an example, Belk, Sherry and Wallendorf (1988) carried out a widely applauded ethnographic study in consumer research.

In sales research, studies like Robert Hurley's (1998) show that an ethnographic case study approach can indeed assist in laying a theoretical foundation for central concepts in the area. His study of radical change processes in sales organisations shows up the 'irrational' side of people's sense making efforts more than survey or experimental research would have been able to. Similarly, Robert Prus' (1989) account of sales people's client interactions, based on an extended participant observation, is a compelling example of the richness of an ethnographic account. Coming from a sociological background, Prus portrays sales work as it is experienced and worked out by the people involved and thus manages to draw a more vivid picture of the selling process than a generation of investigations in the tradition of what he calls 'academic positivism' (p. 30). It is deplorable that his sociological study has not found a more widespread recognition in the sales community.

Despite its potential to capture 'what is really going on' and to study the previously unknown, ethnography as a strategy of inquiry has presented several major

shortcomings for the present study. For one, most ethnographic studies have been directed toward the creation of 'thick descriptions' of research settings rather than toward theory development or toward solving practical problems (Atkinson and Hammersley 1994). Ethnographic methods yield phenomenological data, that is an account of the situated personal experience of the research participants with a low level of abstraction (Uzzell 1995). It was however the intent of this study to go beyond the descriptive element in an area that is in dire need of theoretical development. It is true that the method eventually chosen – grounded theory – could have been combined with an ethnographic approach in order to develop theory from ethnography's thick descriptions. Odis Bigus' study of the 'Milkman and his Customer' (1972) is a fine example of how to generate theory from years of participant observation. The second drawback of an ethnographic approach however prevented such a combination of grounded theory and ethnography. Together with longitudinal studies, participant observation – the main data collection method in ethnography - is probably the most time-consuming way of collecting empirical data. It requires full immersion of the researcher into the research setting and thus a disruption of the researcher's normal professional activities for a prolonged amount of time. Such an undertaking also requires unrestricted access to the research setting. Odis Bigus was a milkman before he became an academic; he constructed his grounded theory from his memories and thus did not encounter the access problem. Robert Prus had the opportunity to participate in a sales training course and to be employed as a trainee sales representative for several months. Both did not undertake their fieldwork in the context of a PhD project. Given the nature of the PhD process with its narrow time frame and foreseeable access problems even if the time could be afforded, such a full immersion was not considered feasible at present. It should be emphasised however that ethnographic studies of the

sales environment could undoubtedly add valuable insight to the body of knowledge in the area.

5.1.2 Action research: Inquiry and change

Action research was considered for the present study because of its contributions to solving practical problems. Action research has the twofold purpose of focusing on knowledge that can be used to trigger action, while at the same time contributing to a theory of action (Argyris, Putnam and Smith 1985). It thus claims to further theoretical inquiry while at the same time advancing practice. Action research distinguishes itself from other forms of organisational intervention such as consultancy by its scientific rigour, the use of a theoretical framework and the claim to yield generalisable knowledge that informs the scientific community. It parts with more theoretical forms of academic inquiry through its emphasis on the usefulness of the investigation and the capacity to induce change.

Historically, action research is closely associated with the work of sociologist Kurt Lewin in nineteen fifties America. Lewin argued that a system could best be understood by first introducing change in the system and then observing the results (McNiff 1995). At present, action research is a method widely employed in education research and certain areas of management research (for example Eden and Huxham 1996). However, as a hybrid framework it sits - some would say rather uncomfortably - between academia and professional consulting and is exposed to criticism from both camps. Rapaport (1970), in an early article on the predicaments of action research, guarded against 'three dilemmas' that are caused by the hybrid character of action research: the role dilemma (the researcher has to reconcile the contradictory roles of a scientist and a consultant), the resulting value dilemma and a potential goal dilemma (the client system and the researcher might have different ambitions for the inquiry).

Although the idea of transforming sales people's cognition by making them realise what they know (or do not know) is appealing, it is questionable how action research can claim to advance theoretical knowledge if it is an approach geared toward solving problems that may be highly specific to the situation at hand. Kurt Lewin's dictum that one understands a system if one observes changes in it also requires the possibility of provoking change in the client system without obstacles. A preliminary investigation of knowledge processes in an industrial sales organisation showed that although the sales force in question was struggling with problems such as islands of client information throughout the sales force and territorialism of sales people, most of the sales reps and managers did not think their problems were big enough to warrant change and were likely to resist any change efforts from outside.⁸

Lastly, in order to induce change, the researcher has to have a clear vision of where he is coming from and where he wants to go – in other words, he needs an existing theory to be applied to the research site. The lack of such a theory in the realm of sales cognition represented a major impediment to the use of an action research approach. It was felt that without a theoretical framework, inducing change could only be a case of haphazard trial and error to the detriment of both the participating research sites and the researcher's scientific objectives. On a more practical note, it was also felt that access problems would be insurmountable if the researcher could not offer a very clear vision of the benefits of what would be a highly disruptive process for a participating company. Thus, the construction of a theory of sales people's customer knowledge had to be a primary step in the investigation. It is hoped that further research can test the

⁸ This investigation had been carried out by the author in a professional position prior to her formal enrolment in the PhD program and was a major driving force for undertaking the research in its present form.

usefulness of the theory by taking it out to the field and using it, for instance, in an action theoretical framework.

5.2 The grounded theory method

After consideration of advantages and disadvantages of various methods, grounded theory was chosen as the strategy of inquiry that was most appropriate for the nature and objectives of the present study. As Partington (2000) points out, the grounded theory methodology is particularly suitable for research aimed at studying 'tacit' knowledge or knowledge in the context of its application, as this project intended to do. Grounded theory is one of the most stringent methods for inductive theory development, a necessary requirement in the area under study. At the same time it offers more flexibility in data collection than for example Robert Yin's (1994) method of theory building through case study research. It shares with ethnography an emphasis on qualitative data collection methods and the capacity to capture the complexity of social systems (Orlikowski 1993); with action research it has in common a concern for the inquiry's usefulness for practice and process orientation (Locke 2001). Locke also points to the potential of grounded theory to update and modify mature theoretical frameworks in substantive areas – which is the objective of the present study in relation to schema-theoretical approaches to sales people's customer knowledge.

Grounded theory can be described as a research method in social sciences that is aimed at the development of theory grounded in empirical data. It puts forward a detailed strategy of collecting and analysing material with the aim of developing systematic theories about the phenomena under study. The material to be analysed can originate from a variety of sources such as interviews, observations, documents or survey data. Although grounded theory lends itself to the analysis of qualitative data, quantitative material can also be used; the emphasis of the method is not on the way data is

collected, but on how it is subsequently analysed. To this end, grounded theory serves as a 'rigorous, orderly guide' to the development of hypotheses that have their origins in the empirical world as opposed to being derived from deductive reasoning (Glaser 1978, p. 2).

Similar to other methods for qualitative data analysis such as hermeneutics, grounded theory stands in opposition to the Procrustean treatment of reality through certain streams of scientific research. By advocating procedures to arrive at theories from empirical data, it proposes an alternative to the logico-deductive approach to theory development, where hypotheses are formulated in the armchair and then empirically verified. In grounded theory, hypotheses are derived from empirical data, conceptually linked and then verified and if necessary modified through constant comparison with other data; the method thus incorporates induction, deduction and verification in the same process (Strauss 1987). This emphasis on rigorous theory development from empirical data also distinguishes grounded theory from many other qualitative approaches. It explicitly aims to go beyond the 'thick description' of cases, individuals or settings that is the aim of more phenomenologically oriented qualitative methods: "It is a succinct, interesting, and easy way to remember the data and a *transcending* way to view it" (Glaser 1978, p. 3; original emphasis). In an area such as that under discussion, the use of grounded theory thus promises to provide the basis for the development of a long-needed theoretical framework.

5.3 History of the method

The focus on 'grounding' theories in empirical material can be regarded as a reaction of the two founding fathers of grounded theory, Barney Glaser and Anselm Strauss, to the predominant research practices in American sociology in the 1950s and 1960s. At the time Glaser and Strauss were studying awareness of dying, theories in social sciences

were mostly deductively derived 'grand' theories *à la* Talcott Parsons; the task of empirical research was to verify and test such theories with large-scale samples (Glaser and Strauss 1967). Against this backdrop, Glaser and Strauss chose to develop a method of generating theory in social research inductively. As outlined in their foundational treatise "Discovery of Grounded Theory" (1967), this method was aimed at closing a gap between theory and empirical research that in their eyes was so blatant in sociological research.

As a former student of Paul Lazarsfeld at Columbia University, Barney Glaser was well acquainted with systematic techniques in survey research and inductive quantitative analysis. Some of Lazarsfeld's techniques such as content analysis, multiattitude distributions, interaction of effects and secondary analysis of existing data influenced Glaser's conception of generating theory from empirical data. Glaser also received training at the Sorbonne in literary criticism and in a method of line-by-line textual analysis called *explication de texte*, which showed him the value of 'delayed interpretation', namely to let the text speak for itself (Glaser 1998).

Anselm Strauss was trained by Herbert Blumer in the tradition of his Symbolic Interactionist School and the Pragmatist inheritance of the Chicago school of sociology. Glaser and Strauss melded their respective traditions in their study "Awareness of Dying" (1965). This study and later works on the sociology of nursing and hospital environments were the first applications of the method to be called 'grounded theory'. Researchers in medical sociology were also the earliest adopters of the grounded theory method after its first theoretical formulation.⁹ However, the method soon also found

⁹ For a review on this early literature see Strauss and Corbin (1994).

adherents in other domains of the social sciences such as management studies (for example Turner 1983).

Over the years, the term 'grounded theory' has become part of the basic vocabulary of social scientists working in the qualitative arena, and it almost seems as if a reference to "Discovery" was obligatory in any of today's qualitative research studies. This tendency of qualitative researchers to refer to the term 'grounded theory' almost regardless of its underlying substance brought Strauss and Corbin to notice that this methodology "runs the risk of becoming fashionable" (1994, p. 277).

Barney Glaser continued to develop the method in his "Theoretical Sensitivity", which was published in 1978 and thus nine years prior to Strauss' own solo treatise "Qualitative analysis for social scientists" (1987). The latter was quickly followed by Strauss' and Corbin's collaborative work "Basics for Qualitative Research" (1990). Although dedicated to Barney Glaser 'with admiration and appreciation'; Strauss and Corbin's book caused Glaser to write an acrimonious retort under the title "Basics of Grounded Theory Analysis: Emergence versus Forcing" (1992). The term 'forcing' in this title refers to the methods Strauss and Corbin had put forth, which apparently betray the principle of 'emergence' of theory in the grounded theory spirit. By comparing the procedures described in his "Theoretical Sensitivity" and their "Basics for Qualitative Research", he accused Strauss and Corbin of distorting the grounded theory method beyond recognition and of unjustifiably appropriating the label for their own approach to qualitative analysis. The second edition of Strauss and Corbin's 'Basics' published in 1998, two years after Anselm Strauss' passing away, tones down some of the most heavily criticised assertions of the first edition and clarifies that the analytical procedures proposed aim to jolt the researcher out of his usual mode of thinking: "The

data are not being forced; they are being allowed to speak” (Strauss and Corbin 1998, p. 65).

Glaser’s reaction to Strauss and Corbin’s work makes it obvious that a rupture has taken place between the two founders of grounded theory. Over the years, both authors have reshaped the original method outlined in “Discovery” in their solo projects; both also have a large pool of disciples working in their respective traditions. As a result, any reference to ‘grounded theory’ today would be incomplete if not accompanied by an indication of the ‘school’ and period of development to which one refers. The present study was conducted as much as possible in line with the original formulation of grounded theory in “Discovery” (1967). However, as this book does not explicate specific analysis strategies as much as the more recent ones from either camp, much of the analysis was carried out with the help of suggestions made in Strauss’ (1987) and Strauss and Corbin’s (1990 and 1998) works. At the same time, Glaser’s warning against ‘forcing’ the data through the use of a priori constructs has also been taken into account.

5.4 Philosophical background

It has been observed that the discrepancies between the Glaserian and Straussian schools of grounded theory become more apparent on an epistemological level than in the actual techniques themselves (Locke 1996). Indeed, with a few exceptions, the methodological vocabulary used by the two litigants is still broadly identical, and at first glance technical descriptions do not appear to vary dramatically. Perceptible differences however exist in the attitude that the respective researchers take toward their data and the reality they are supposed to depict.

Guba and Lincoln (1994) recognise four 'paradigms' in social research: the positivist/post-positivist, the constructivist/interpretive, the critical and the feminist-poststructural paradigms. If one adopts these distinctions, the original "Discovery" would be located in the post-positivist corner of this paradigm spectrum (Annells 1996). Although Glaser and Strauss do not explicitly discuss epistemological issues in "Discovery", it seems that the book is based on the premise of an outside reality to be taken into account by the research act. Although this reality is to be reflected in the theory as faithfully as possible, it is implicitly recognised that research efforts will never fully capture the 'buzzing, blooming confusion' of social reality (Strauss 1987, p. 6). A grounded theory will not mirror the social reality that it is based upon, but it will *fit* the situation being researched and represent a *guide to action* within the area; where it does not reach, another grounded theory will take over (Glaser and Strauss 1967, p. 227). There is still a firm belief in the 'cumulative nature of knowledge and theory' (Glaser and Strauss 1967, p. 35); at the same time, Glaser and Strauss move away from the positivistic ambition to accurately and fully *represent* reality. Rather, it is the usefulness and relevance of the theory to concerned parties that comes to the fore:

Clearly, a grounded theory that is faithful to the everyday realities of a substantive area is one that has been carefully *induced* from diverse data, as we have described the process. Only in this way will the theory be closely related to the daily realities (what is actually going on) of substantive areas, and so be highly applicable to dealing with them (Glaser and Strauss 1967, p. 239).

With this perspective and the methods they develop from it, Glaser and Strauss align themselves with the philosophical traditions of the American Pragmatist stream with John Dewey and Charles Sanders Peirce on the one hand and G. H. Mead and Herbert Blumer's Symbolic Interactionist philosophy on the other. Both sources have been acknowledged as informing the original grounded theory framework in a variety of aspects such as the need for naturalistic inquiry, the significance of individual

experience for social processes, the importance of analytical abstraction and the active role of the social actors in shaping their world (Strauss and Corbin 1990). Following these epistemological underpinnings, according to “Discovery” the focus that theory development should have is one that emphasises change and process, variability and complexity. Grounded theory is conceived of as a way of studying social actors as well as their relationships and interactions in an ever-changing and complex world. Thus, ‘doing’ grounded theory requires an awareness that the unit of analysis is embedded in its social environment through a complex interplay of conditions, meanings and actions, which have to be taken into account in the analysis. This social psychological perspective has two consequences for the purpose and objectives of studies following the method. First, as friction and conflict are seen as an integral part of the embeddedness of the social actor in his or her world, grounded theory studies are aimed at guiding the social actor toward the resolution of problematic situations in the social world, a perspective that links grounded theory research to studies conducted in a critical theory or action research framework. In addition, as the social world is an ever-changing one, an emerging theory has to be considered as an “ever-developing entity, not as a perfected product” (Glaser and Strauss 1967, p. 32).

With their emphasis on the usefulness and relevance of the theory, Glaser and Strauss are also among the earliest researchers in the social sciences requesting that voice be given to the research subjects. From its origins, the actor’s point of view has always been at the centre of inquiry in the grounded theory framework:

As researchers, we are required to learn what we can of their [the actors’] interpretations and perspectives. Beyond that, grounded theory requires, because it mandates the development of theory, that those interpretations and perspectives become incorporated into our own interpretations (conceptualizations) (Strauss and Corbin 1994, p. 280).

How this 'incorporation' actually happens seems to be one of the major points of contention between Glaser and Strauss in later years. The original work suggests a research position in which the inquirer does not stifle himself through his prior knowledge, but rather tries "to line up what one takes as theoretically possible or probable with what one is finding in the field" (1967, p. 253). In his 1978 and 1992 works, Barney Glaser reformulates this position in a way that brings him close to the positivist perspective of the researcher as a detached observer. Glaser advocates that the researcher represent a neutral force in the theory development who must not 'corrupt' the data with any preconceptions, personal experience or technical knowledge: "The analyst should just *not know* as he approaches the data" (1992, p. 50). In the same line, he admonishes the researcher not to bend the data with pre-formulated questions or preconceived theoretical codes: "The researcher must have patience and not force the data out of anxiety and impatience while waiting for the emergent. He must trust that emergence will occur and it does" (1992, p. 4).

On the other hand, Strauss seems to veer toward an interpretivist stance in recent years. From his viewpoint an interference of the researcher with the data is inevitable; the researcher necessarily acts as an 'instrument' in developing grounded theory (Strauss 1987, p. 6). This interference is not only unavoidable, but also desirable so long as the researcher is aware of his active involvement with the data. Comparison with one's prior 'experiential data' - namely one's personal or professional experience - is openly encouraged and believed to be conducive to theory building, as is technical literature (Strauss 1987). Procedures such as the constant comparison between concepts and data serve as a safeguard that the emerging theory will be grounded in the data set at hand and not only in the researcher's prior knowledge. While this argument is still in line with the original formulation of the method, Strauss emphasises that although the

emanating theory will be grounded, it cannot aspire to universal legitimacy. Strauss and Corbin stress the 'forever provisional' and interpretive character of all theories: "Theories are interpretations made from given perspectives as adopted or researched by researchers" (1994, p. 279). From this perspective, grounded theory proposes a set of procedures that aim at making one's interpretations more traceable and justified through the data. Such a stance would come close to a constructivist view on the research effort were it not that Strauss' methodological recommendations leave him almost as much attached to a logic of empiricism and thus a modernist perspective on social sciences as Glaser. The very endeavour of constructing theory from field data in social sciences posits an observable world from which a theory can be abstracted in the theoretical formulation – irrespective of whether this formulation is seen as the construction of the researcher or as emergent from the world outside. Thus, both formulations remain firmly in the realm of modernist science in their attempt to organise the world into theoretical conceptualisations. Keeping with the Pragmatist/post-positivist tradition, both formulations also emphasise the fit and usefulness of the theory rather than its representational virtues and both admit to its limited generalisability in space and time. Thus, rather than one of opposites, the epistemological difference of the two 'schools' of grounded theory seems to be one of degrees - diverging on the extent to which the method can be formalised as a set of techniques, but sharing a conception of a reality that can be theoretically formulated by the researcher who immerses himself in the life world of the researched.

The method's Pragmatist heritage was one of the main reasons why it was chosen as a methodological framework for the present inquiry. If one is to believe that humans come to know what is useful to them, it seems suitable to choose a research method that justifies its results in terms of their usefulness to participants. Thus, grounded theory

was chosen as a strategy of inquiry in the context of this research not only for its capacity to fill gaps in the theoretical landscape of sales cognition, but also because it does not divorce the analytic research effort from the conceptual plane of the inquiry. The present study aims to deliver something similar to John Dewey's key to the lock that is reality – it aims to deliver a mid-range theory of sales cognition that can be taken back to the ground and tested for its usefulness, relevance and fit. By using grounded theory, it subscribes to a post-positivistic stance: the world *as experienced* by the research participants is the main source of knowledge, but this knowledge will necessarily and unavoidably be re-organised in the act of conceptualisation. Any ontological questioning of the existence or substance of the world-as-experienced-and-conceptualised will be bracketed in this study for the sake of scientific discovery – what sales people believe to be real is taken to be real.

5.5 Grounded theory step by step

5.5.1 *Initiating the research project*

As the purpose of a grounded research study is to *discover* theory in an area of interest, it is not recommended to commence the research with an idea of what this theory could look like or even what the problem in the particular setting is. Rather, the research problem is as much discovered in the field as the ways to resolve it: “He [the researcher] moves in with the abstract wonderment of what is going on that is an issue and how it is handled” (Glaser 1992, p. 22). Contrary to widespread criticism, such a forcefully naïve stance is not equivalent to a *tabula rasa* approach to research, even if some of Glaser's formulations on the subject suggest such a position. Indeed, Glaser and Strauss state in their “Discovery” that the researcher's perspective will help him see relevant data and categories (1967, p. 3). The researcher, and particularly the experienced researcher, will have a rich body of knowledge of the field of interest and of extant theories. It is

recommended that such knowledge be bracketed until the latter phases of the research project lest it cloud fresh insight and surprise emanating from the field. Unless the researcher is willing to shed his presuppositions, surprise will not arise. Taking this caveat into account, the author of this study attempted to move into the field without having a pre-formulated framework or specific research questions to hand. The purpose was to study 'sales people's customer knowledge'; as no known prior research existed in the area apart from schema-theoretical studies, no hypotheses or pre-existing theories could contaminate the research effort.¹⁰ The guiding force in undertaking the research was the practical experience of the researcher suggesting that a problem existed in the area; it was however not clear where the problem lay and what its formulation and resolution would look like.

5.5.2 Theoretical sampling

Sampling in grounded theory is driven by the objective to obtain theory that is dense, applicable to the substantive area it emerged from and 'analytically generalisable' to other areas with similar characteristics. Glaser (1998, p. 157) points out that theoretical sampling is the deductive element in an otherwise inductive process: "It is grounded deduction, feeding into data for more induction as the growing theory leads the researcher on". Grounded theorists do not believe in the value of a representative sample. There is no minimum or maximum sample size, no magic number 'n' nor the possibility of determining the shape of the sample prior to the fieldwork: "A single case can indicate a general conceptual category or property; a few more cases can confirm the indication" (Glaser and Strauss 1967, p. 30).

¹⁰ See Appendix A for the original research proposal.

Rather, sampling advances according to the theoretical relevance of the characteristics of the units sampled and the completeness of the theoretical framework (Glaser 1998). In practical terms, at the early stage data are collected through a process of 'open sampling' (Strauss and Corbin 1994). As the researcher is not yet aware of the categories that are embedded in the data, sampling cannot be highly directive. Rather, it should cover a wide range of incidents, indiscriminate of their assumed relevance to the study. Indeed, as Glaser and Strauss (1965) illustrate, sampling of multiple and diverse comparison groups permits a speedy development of categories and relations between categories by drawing the researcher's attention to the similarities and differences among groups.

Once the first coding sessions have been completed and provisional categories emerge, sampling should become guided by analytical reasoning: the groups or subgroups of populations or events should be selected for data collection that could best inform (or disprove, for that matter) the emerging categories and their dimensions. Glaser (1978) calls this process 'relational' or 'discriminate sampling'. It assures that the developing theory does not run thin because the researcher collects the same data all over again. New data sources shed light on aspects of the theory that could not have been developed with the data at hand. In this sense, sampling can continue until the very end of the research project. If, for instance, at the writing-up phase gaps emerge in the theoretical framework, the researcher has to go back to the field and select specific samples in order to fill these gaps. Thus, grounded theory not only allows but rather mandates the interplay of data collection, analysis, sampling and memoing from the very first stages

throughout the whole research process (Strauss 1987).¹¹ It also means that background variables such as age, gender or race – or in the present case industries or firm size - have to ‘earn’ their way into the emerging theory and are not considered a priori relevant.

In the present study, theoretical sampling meant that the initial sample of interview participants was of a very broad nature. Sales representatives, sales managers, national account managers, marketing managers and IT professionals of a variety of business-to-business firms ranging from advertising and corporate finance through machinery constructors to consumer goods manufacturers were approached and interviewed (see chapter 6.1 for a list of interviewees). Such a broad net of respondents ensured that the scope of the study was not unduly limited before the actual data analysis would determine the focus and boundaries of the research. During the analysis, the variety of the initial sample also allowed between-group comparisons in order to shed light on the structural conditions under which the emerging concepts were applicable (Glaser and Strauss 1965).

In the later field stages, data collection was determined by considerations emerging from the ongoing data analysis. As an example, after initial coding it was considered fruitful to explore differences in the importance of relational knowledge in service versus product industries. Thus, respondents from industries with products of different degrees of ‘tangibility’ were sampled and intra- as well as inter-group comparisons were drawn. Similarly, the impact of relational knowledge on negotiation emerged as a factor that seemed to be of import for the respondents but that the early interviews had not

¹¹ This may also involve informal interviews or information gained through haphazard encounters. As an example, Strauss and Corbin (1990, p. 227) recommend to turn the question and answer sessions of the first presentations of the project into “an informal collective interview that adds to your data”.

fully explored. Consequently, respondents from sales areas that were considered intense negotiation environments such as consumer goods retailing were asked to participate in the investigation.

With regard to theoretical sampling, one important deviation from orthodox grounded theory had to be undertaken. Sales representatives and managers, especially in the Celtic Tiger Economy in contemporary Ireland, are extremely busy people whose time literally *is* their money. Once access could be negotiated to a field site, interviews and observations had to be carried out immediately so that the procedures would not appear too lengthy and disruptive for the companies and their staff. For this reason, instead of the recommended *constant* interplay between data analysis and data collection two separate field phases and a final member check (see below) were carried out; data analysis conducted between these field phases directed sampling for the next phase.¹²

5.5.3 *Collecting data*

Grounded theory is presented as a 'general method of comparative analysis' (Glaser and Strauss 1967, p. 1). Indeed, the emphasis of the early manifesto as well as subsequent formulations of the method has always been on the analysis phase of the research endeavour. Glaser in particular is anxious to emphasise that grounded theory is "a general method that can be used on all data in whatever combination" and that hence the distinction between quantitative and qualitative data is not relevant for grounded theory (Glaser 1998, p. 42). Thus, recommendations on the data collection phase do not abound in any of the grounded theory texts, even though all of them seem to favour the use of qualitative data for grounded analysis purposes. Glaser himself maintains that

¹² Locke (2001) points out that such access difficulties are one of the major constraints of using grounded theory in management research.

grounded theory “does well with qualitative data” (1998, p. 42), and Strauss and Corbin (1994) admit to writing specifically for qualitative researchers.

In their own work, both Glaser and Strauss as well as their respective disciples seem to use predominantly observational data alongside interview and documentary materials. They underline the importance of real life immersion of the researcher in the sphere of the researched while at the same time admonishing that he remains detached from the field (Glaser and Strauss 1967). As data are analysed at the same time as they are collected, there is a constant interplay between field work and analysis. The empirical investigation evolves from being extremely broad in scope when the researcher enters the field (so as not to focus too early on salient categories or events) to a more purposeful and targeted approach.

The present study used depth interviews ranging in length from 45 to 120 minutes as the main data collection method. In the first field phase, observational methods were also included in the data collection: team sales meetings were attended and sales representatives shadowed in an effort to learn about the use and distribution of customer knowledge. It was found that such exercises helped in making the researcher familiar with the life world of sales people, but that they did not yield substantive results above and beyond such immersion. Any direct ‘observation’ of sales people’s knowledge structures is made impossible by the intra-individual and therefore hidden nature of knowledge. Even though knowledge ‘input’ and client interaction ‘output’ could be observed on a number of occasions, the observer felt unable to re-construct the knowledge world of the observed without superimposing her own frames of reference and thereby transforming the participants’ knowledge into her own theories. During later field stages, as it became apparent that the focus of the study was moving from factual to relational knowledge, it also became clear that relationship development and

cultivating strategies were processes that could not be elucidated by momentary observation. Relationship processes between a sales person and a client could only be observed through the use of a longitudinal design. Even then, the dyadic nature of the sales person-client relationship would be altered by the presence of the observer. It was thus decided to rely on interviewees' reflection on their relational knowledge and their retrospective accounts of relational strategies, notwithstanding the fact that, as Partington (2000) points out, such accounts are based on a different level of participants' realities than direct observation.¹³

Conversational approaches have been used as a tool for knowledge elicitation and transmission since at least the times of Socrates (Kvale 1996). The psychologist George Kelly states that if one wants to know about a person, we simply should ask him – he might tell us (Kelly 1955). In our everyday lives, we seem to follow his advice instinctively: conversations are traditionally one of the core modes of human interaction and knowledge transmission (Audi 1998). Social sciences began to systematically employ interviewing as a method to investigate social phenomena at the beginning of the twentieth century (Fontana and Frey 1994). Today, estimates indicate that 90 per cent of all social scientific investigations use interview data of some sort (Briggs 1986). The research interview is thus a long-established and thoroughly developed tool for scientific inquiry. For the present study, the decision was made to carry out personal depth interviews on a one-to-one basis. This choice seemed obvious considering the study's underlying epistemology and objectives. Language facilitates the construction of a consensual domain between the researcher and the researched and consequently an

¹³ It is not uncommon for grounded theory research to rely exclusively on such 'second-hand' data; one of the most prominent grounded theory researchers Glaser-style, Kathy Charmaz (1997), for example drew on 40 depth-interviews for her account of identity dilemmas in chronically ill men.

acquaintance with the other's 'stock of knowledge' (Maturana and Varela 1980; Schutz 1967). The most important argument - the argument that distinguishes interviews carried out in a 'qualitative' frame of mind from those conducted in a 'quantitative' mode - seemed to be that the unstructured interview allowed for and promoted *subjectivity* as the ability "to capture the multitude of subjects' views of a theme and to picture a manifold and controversial human world" (Kvale 1996, p. 7).

For the interviews carried out in the present study, Kvale's image of the *researcher as a traveller* was adopted. The aim was to explore the unknown territory of sales people's knowledge following a *method*, "with the original Greek meaning of 'a route that leads to a goal'", and to converse with the research participants "in the original Latin meaning of *conversation* as 'wandering together with'" (Kvale 1996, p. 4; original emphasis). As a guiding metaphor for interviewing, this image not only allowed an exploration of different routes that could lead to the goal, but it also served as a reminder that the interview situation is as much a social, knowledge-constructive interaction as the sales encounter of which it talked.¹⁴

During the course of the investigation, some of the routes explored were abandoned due to the less than enthusiastic echo they received from the participants, and a lot of new roads were put on the interviewing map. According to grounded theory principles, the ongoing analysis and the empirical investigation informed each other cumulatively, with earlier interviews exploring the broad terrain of sales people cognition and the later ones aiming to fill in gaps in the analytical framework.¹⁵

¹⁴ See Holstein and Gubrium (1995, p. 4) for an elaboration on the *joint* construction of data during the interview process.

¹⁵ See Appendices B and C for the two main interview guides used.

5.5.4 *Analysing data*

The main difference between grounded theory and other methods of qualitative data analysis probably lies in the rigour it imposes on the coding and categorising of the data. Its highly systematic ‘method of comparative analysis’ is assumed to allow the data analysis and ensuing theory to be more reliable than “the kind of imaginative linkages which can be developed in essays written after a couple of readings through the data” (Turner 1983, p. 333). Accordingly, the minute analytical coding and categorising of the data set is not only the most central feature in grounded theory, but also a constant across the different schools. Although both Glaser and Strauss in their respective works encourage researchers to modify the suggested methods according to the research questions and settings, they insist that certain operations must be carried out in order for a study outcome to qualify as grounded theory:

Coding must be done, and generally done early and continually. Analytic memos must be done early and continually in conjunction with the coding. And a few concepts, loosely strung together, cannot satisfy the requirements for formulating social theory (Strauss 1987, p. 8).

5.5.5 *Open coding*

In the grounded theory framework, coding represents the procedure in which “data are broken down, conceptualised and put together in new ways” (Strauss and Corbin 1990, p. 57). In Strauss’ (1987) and Strauss and Corbin’s (1990) description of this operation, coding of the data evolves in three interrelated steps: open coding, axial coding and selective coding. This three-step process, which ensures at once thoroughness and increasing abstraction in the data analysis, was adopted in the present study. It should however be noted that neither Glaser and Strauss (1967) nor Glaser (1978) use these terms. Glaser and Strauss (1967) distinguish four stages in the whole analytical process, three of which are tightly related to coding procedures: comparing incidents applicable

to each category, integrating categories, delimiting the theory and writing the theory. Glaser (1978; 1992) argues against the use of a three-step coding process and insists that a two-step process including open coding and focussed coding are sufficient for analytical precision. Irrespective of the labels attached to these procedures, an evolving process of naming and labelling, integrating and delimiting seem to be the common practice. In the present study, Strauss and Corbin's terms were chosen for their illustrative value and clarity.

A first line-to-line or even word-to-word examination of the material – in our case the transcribed interviews and field notes – corresponds to the first phase of open coding. The aim of this initial and very minute examination of the data is to open it up for inquiry. Concepts are generated through the 'constant comparative method' that involves comparing chunks of data to other data. The ensuing concepts are tentative and developing and can be reformulated or even discarded at any moment. If two or more concepts appear to relate to the same phenomenon, they are aggregated to so-called categories, which represent higher-order concepts. Emerging categories again are constantly compared to other categories and concepts as well as to the data itself. During this process, any interpretation should be regarded as emergent. As Barney Glaser states, "categories are not precious, just captivating" (1978, p. 4). As such, they should be constantly refitted to the data they purport to represent. Open coding of the 30 interviews from the first field round yielded a total of 284 categories and concepts. The data were coded by the researcher and her supervisor independently and the concepts subsequently compared and agreed upon in joint recoding sessions. This process ensured a permanent check on the evolving coding structure and gave rise to memoing and heightened 'theoretical sensitivity' (see below).

5.5.6 *Memoing*

During this initial open coding stage, two guiding principles ensure that the coding transcends a mere summarising of the data and attains analytical value: the constant 'asking of questions' to the data and memoing (Strauss 1987, Strauss and Corbin 1990). Questions the researcher should put to the data are for instance: What does the incident tell us? What is happening here? What does this incident remind us of? What would be a negative case of this incident? What are its consequences or outcomes? What are its causes?

These questions, among other issues, are elaborated in so-called memos or coding notes. Memos serve as a forum for reflection and exchange, as 'to-do' lists and research summaries. They assist abstract thinking about the material and create analytical distance. According to Strauss and Corbin (1990), memos contain the intermediary products of the coding procedures as well as theoretical and summarising notes, and they direct further sampling. Memoing as an analytical tool runs right through the research process, and depending on the coding stage the memos will hugely differ in complexity and density. Strauss and Corbin (1990) also recommend the use of diagrams and other graphic representations to visualise the relationships between categories especially at later stages. In the present project, one memo was written for each transcript; these memos were periodically compared to each other and analytical memos composed. Such memos often contained open questions, comments on the flow of the interviews, remarkable observations, questions to be included in subsequent interviews and links to other transcripts or memos. In grounded theory, memos are considered data in their own right and are to be included in the analysis process. The 'data' volume thus increased during the initial coding from 35 documents (30 interview and five field note transcripts) to well over 70.

5.5.7 *Theoretical sensitivity*

Both principles, question asking and memoing, are believed to increase the researcher's creativity and 'theoretical sensitivity'.¹⁶ Theoretical sensitivity is a requisite characteristic that a researcher has to bring to the analysis process in order to reach beyond the descriptive level: it is "the attribute of having insight, the ability to give meaning to the data, the capacity to understand, and capability to separate the pertinent from that which isn't" (Strauss and Corbin 1990, p. 42). Without theoretical sensitivity, the researcher is not able to 'read' the data or to see connections between concepts. Thus, although data analysis using grounded theory principles is a highly structured process, it cannot be a mechanical one - there is an important element of skill required from the researcher.

It should be noted that Glaser and Strauss appear to differ on what constitutes such 'theoretical sensitivity'. While for Strauss and acolytes theoretical sensitivity is developed through a researcher's training, reading and personal as well as research experience, Glaser maintains that it is a skill that can only exist if the researcher keeps himself "free to discover in every way possible" (1992, p. 31).

Through theoretical sensitivity, open coding is characterised by a permanent interplay between analysing the data and stepping back from it: "You get a little data, then you stop and think!" (Strauss 1987, p. 45). Strauss and Corbin (1990) present a number of heuristics intended to guide researchers through this process, to enhance the conceptual density of the emerging categories and to heighten their theoretical sensitivity. For instance, far-out comparisons can assist in discovering dimensions of an incident that

¹⁶ The saliency of this concept in the grounded theory framework can be seen in the fact that Barney Glaser named his first theoretical solo work after it.

were not visible at first sight – as an example, Strauss and Corbin compared body builders to violinists when examining the interaction of professionals with their equipment. Similarly, the so-called flip-flop technique suggests imagining the very opposite of what appears in the data and figuring out the consequences.

Barney Glaser rejects such heuristics used to exploit the conceptual richness of the material. He fears that the use of models and ‘preconceived questions’ could take the researcher too far away from the data or prematurely determine the direction of the analysis: “The researcher must have patience and not force the data out of anxiety and impatience while waiting for the emergent. He must trust that emergence will occur and it does” (1978, p. 4). It could effectively be argued that Strauss and Corbin put too much emphasis on the active provocation of the data to interrogate it. Although such tools can serve as guidelines for inexperienced researchers, they will certainly not be suitable for the exploration of every subject of inquiry. In the present study, it was found that creative thinking along Strauss and Corbin’s lines appeared almost automatically if the researchers tapped into their ‘theoretical sensitivity’ and attempted to think beyond the descriptive coding level. The author of the study greatly benefited from her supervisor’s vast research experience in this regard. In the course of the joint recoding sessions, the author learned to look at the data in a multitude of ways and to sharpen her own sensitivity for what is happening in the data. Mentoring, for this novice researcher, proved indeed to provide ‘an atmosphere where the natural creativity one possessed’ could emerge (Stern 1994, p. 218).

5.5.8 Axial coding

The open coding stage with its constant comparison between concepts and incidents yielded an array of categories with sub-categories, properties and dimensions, a number of memos on these categories and their data sources as well as a sense of the centrality

of certain categories. As an example, the 'role of the relationship' appeared to be a focal category that linked several other categories together. At this stage, it was clear that the emphasis of the research had shifted from categorising sales people's customer knowledge to exploring relational issues relevant to the sales interaction. While this was seen as a sign that the analysis had been guided by the data as the grounded theory method requires, the several hundred codes and subcodes were a clear indication that the analysis had so far remained on a very descriptive level (Locke 2001). The task was now to look for relationships between categories and through this exercise elevate the analysis to a more theoretical level. Open coding thus became interwoven with axial coding. Axial coding aims at making connections between single categories: "the analyst begins to build up a dense texture of relationships around the 'axis' of the category to be focused upon" (Strauss 1987, p. 64). Coding at this stage becomes more directed and specific. Patterns of categories and their links emerge and are again compared to the data for their fit; relationships and subcategories are discovered and verified, and variations in the data explained. Through axial coding, the framework becomes increasingly dense and abstract without however losing its groundedness in the empirical data. The researcher constantly has to revisit already coded data as well as code new data and compare the various categories and concepts. Thus, rather than representing a linear process, open and axial coding could be seen as modes of analysis between which the researcher permanently switches. If the resulting relational patterns can be substantiated by the data, they become the building blocks of the emergent hypotheses and the final theory. Strauss (1987) suggests using a coding paradigm consisting of four dimensions – conditions, interactions, strategies and consequences – in order to specify patterns of relationships. Again, Glaser strongly warns against the

privileged use of one particular coding family, and indeed in the present study these particular dimensions did not always fit the data at hand.

Axial coding in the present study consisted firstly of revisiting all 284 concepts – the chunks of data coded under each category were compared to each other and if necessary recoded. Categories were defined on a more abstract level and relationships between categories and concepts were conjectured by asking questions on how a particular category was related to other categories. First graphic representations of the concepts and their relationships were drawn up and more analytical memos written. This dual process of writing memos and recoding categories is supposed to further the researcher's ability for abstraction and to ensure that he constantly moves between inductive and deductive logic (Bartlett and Payne 1997). Through axial coding, what had been a huge amount of separate codes and sub-codes became an increasingly rich conceptual tapestry of sales people's relational knowing with concepts that were felt to be both 'analytic' and 'sensitizing' (Glaser and Strauss 1965, p. 263).

5.5.9 *Selective coding*

This process of data collection, analysis, memoing and further sampling could go on *ad infinitum*. Strauss and Corbin (1990, p. 109) therefore admonish that "the idea is to have a theory that is conceptually dense and that has specificity, plus enough theoretical variation to enable it to be applied to many different instances of any given phenomenon". It is a sign that a theory is emerging from the data if a core category crystallises. This core category, characterised by the number of relationships it has to other categories, can be regarded as the main theme or the substance of what is going on in the material. Once the core category surfaces, coding efforts are concerted around it. 'Selective sampling' with regard to the core category yields further opportunities to systematically explore and verify its import, causes and consequences, dimensions and

relationships (Strauss and Corbin 1990). Thus, a 'story' becomes visible – and from now on, the researcher should concentrate his efforts on telling this one story. It is only at this point that the researcher will actually know which story he will tell; in contrast to other methods, the core category and the theory linked to it are not predefined, but their origin lies exclusively in the data itself. It is only at this point as well that the researcher should do a literature review and compare his emerging framework to extant theory. Grounded theorists emphasise that extant theory will never invalidate the emerging theory, but if treated as more data for constant comparison it may inform and modify the categories and their relationships (Glaser 1998).

Selective sampling and coding around the core category will continue until 'theoretical saturation' is reached – the state where the emergent theory is dense, coherent, relevant and fully justified through the data. At this stage, 'artful integration' (Stern 1994) of all the categories and hypotheses is achieved, and the theory can be applied as a whole to the data at hand. If the theory stands this test against the data, it can be considered as 'grounded' in Glaser and Strauss' sense of the term: as relevant, powerful, modifiable and parsimonious.

Theories thus arrived at are what Glaser and Strauss (1967) call 'substantive theories', namely theories that are closely linked to a particular practice area, such as cultivating customer relationships (Bigus 1972). Formal theories, on the other hand, are related to a more abstract, systemic area of inquiry, such as the Basic Social Process (Glaser 1978). Many substantive theories can form the basis for a formal theory, so that, even at a high level of abstraction, the formal theory remains grounded in the empirical world. Formal theories in Glaser and Strauss' sense are directly opposed to the logico-deductive 'grand theories' whose depersonalising effect was the starting point for the formulation of the grounded theory method.

In the present study, selective coding evolved around the refinement of the graphical illustration of the emerging theoretical framework. As Miles and Huberman (1994) point out, the visual representation of categories and relationships can assist qualitative researchers hugely in making sense of their data. The researcher attempted to design a visual framework that was at once true to the stories her respondents had told and at the same time sufficiently generic to be applicable to a multitude of settings outside the parameters of the present study. These visual models were brought back to the data and redrafted until the best possible fit between the substantive area and the theoretical framework was achieved.

5.6 Writing grounded theory

For grounded theorists (as for many researchers working in the qualitative mode), writing is a fundamental part of the research activity. Writing a grounded theory account allows the researcher to double-check the theory against the data, the memos and the literature and identify any previously undetected gaps in the framework (Strauss 1987). It also allows the author to establish authenticity for his theory, that is to show the reader that everything has been done to understand the area under investigation from an actor's point of view. Typically, writing grounded theory moves back and forth between 'telling' and 'showing': theoretical accounts and illustrative data excerpts alternate in the written account (Locke 2001). Often, the theory is presented as a complete framework as well as in its conceptual details; to this end the account can take on a narrative or even discursive form (Strauss 1987).

One moot point of writing grounded theory is the way the literature is treated. The standard scientific format requires that a review of the literature precede the results section; this format complies with the hypothetico-deductive research logic that theory precedes empirical verification. In grounded theory accounts, this order is often

inverted. Even though a broad overview of the literature might still set the tone for the investigation to be presented (as it does in the present inquiry), the discussion of the substantive literature is often held back until the results of the empirical study have been discussed. It is only at this stage that the researcher should point out how extant work can be related to the theory presented and where further research might have to add to the existing knowledge in order to reconcile differing theoretical frameworks. However, Locke (2001) argues that such reconciliation might be problematic as the research aims are not usually framed in terms of existing theory. She suggests distinguishing the 'field-based story' from the 'theoretical story' being told:

The field-based story is the grounded theoretical framework developed through the authors' analytic interaction with their data – the grounded theory. The theoretical story, on the other hand, is based in existing theoretical conversations in our field (Locke 2001, p. 122).

For the account of sales people's customer knowledge, it was decided to give an overview of the different conceptions of human knowledge before empirical results are introduced as the variety of these conceptions explain the researcher's rationale for using a grounded theory procedure in her own study. Throughout the results section, the voices of the interview participants receive prominence; at the same time, for all but the core categories extant literature is interwoven to indicate to the reader the extent to which the results confirm or disprove previous research. The core concepts of the study – the interdependence of sales people's customer knowledge and their relational know-how - are taken up and confronted with the literature in chapter 14; this chapter also presents conjectures on the formal import of the empirical findings. The literature used in the discussion of the results and in the conclusions, namely research on relationships and relational cognition, has only been consulted after the empirical results had been written up; hence they did not influence the emergence of concepts and categories.

5.7 How to evaluate a grounded theory

It was mentioned above that an intrinsic characteristic of the grounded theory method throughout its incarnations can be seen in the move away from a concern with the accuracy of the description toward a concern with the plausibility, fitness and relevance of the theory. Hence, default criteria for empirical research such as validity and reliability could not do justice to a grounded theory study. As an example, a grounded theory will always only be generalisable to the extent that the conditions giving rise to specific actions are met. Instead of adopting the quantitative terminology to evaluate research, both Glaser and Strauss propose their own range of strategies to enhance the credibility of the research.

5.7.1 Adequacy of the research process

The most basic prerequisite for the generation of a credible and useful grounded theory is the researcher's firm conviction that he has correctly understood the perspectives and meanings of the actors whom he has studied and that he 'knows' about the social world studied in a very profound way (Glaser and Strauss 1967). He also must be confident that he has actively looked for negative cases or alternative hypotheses when he formulated his theory. If he is confident that his theory not only reflects the actors' viewpoint but that it is also more plausible than any competing explanation, he will not be afraid to give the reader a chance to assess the quality of his theory. Such assessment is made possible through the common vocabulary and the codified procedure that represents grounded theory's constant comparative method. If there is enough evidence that the steps have been followed accordingly, the transition from data to theory should be clear and retraceable.

In this dissertation, the author attempts to allow the reader an assessment of the research by stating the analytical steps undertaken, the selection of the sample, how theoretical formulations guided theoretical sampling, which discrepancies were found, how and why the core categories were selected. In addition, parts of the data in forms of interview excerpts are presented in the results chapter. Furthermore, the author would like to think she has tried to understand the respondents' life world as much as was possible and constructed the theory based on the participants' experience of their own reality.

5.7.2 *Relevance and applicability*

Grounded theory studies should not merely aim at the approval of an academic audience. It is equally important that the theory is relevant for the social actors in the area studied. This requires that the theory (1) *fit* the substantive area in which it is used, (2) be *understandable* for the layman in the area, (3) be sufficiently *general* to be applicable to a multitude of situations, but at the same time not too abstract to lose its relevance, and (4) allow the user *partial control* over situations and change processes (Glaser and Strauss 1965). As a consequence, grounded theory studies can be evaluated with regard to their impact on the actors and situations studied and with regard to their 'change potential' (Orlikowski 1993). Barney Glaser in particular emphasises the need for immediate applicability of the theory to the problem area under study – such application of the developed theory is assumed to provide an important test for its validity (Stern 1994). With this emphasis on the practical contribution of the research endeavour, grounded theory almost seems to steer toward a critical theorist or an action theoretical perspective of social science research; it most definitely sets itself apart from the strong impressionistic tradition of hermeneutic research streams. Although a full evaluation of the research results in sales people's everyday practice was not possible in

the case of the PhD project, the theory was taken back to the research participants in the form of an executive report and their feedback on it was gathered through personal communication and questionnaires. Chapter 15.2 presents an overview of the participants' reactions and chapter 15.5 discusses the practical import of the study.

5.7.3 *Modifiability*

Built upon the ever-changing ground that is social life, a grounded theory is never intended to be a finished and finite product. Even the most sophisticated theory is not cast in stone; rather, it is a sign for a good theory that it allows for modification to help explain new or surprising data. Grounded theorists are eager to avoid that the 'world passes their theories by' (Glaser 1978, p. 5). Instead, a grounded theory will only maintain its relevance if it is constantly adapted to changing social processes. Such re-evaluation does not indicate that the presented theory was not 'waterproof'. Indeed, it can be considered as a positive factor if the theory invokes enough interest and understanding in the reader that he feels the 'need for continued development' (Glaser and Strauss, 1967, p. 32). Chapter 15.6 shows how future research may help develop the presented theory further. In addition, the author recognises that while all efforts were made to reach theoretical saturation in the process, new material could add insight to certain categories, their relationships or even the theory as a whole.

5.8 Appraisal of the method

Grounded theory offers a method of theory generation that mixes two modes of theorising that are traditionally opposed: the idiographic approach, which is concerned with understanding the individual case, and the nomothetic, which is concerned with the discovery of general laws. Such a hybrid approach leaves itself open to attack from two different angles - from the traditional empiricist school of scientific research on the one hand and from qualitative researchers of different methodological persuasions on the other. Indeed, ever since the publication of "Discovery" in 1967, critics have not been slow to point out potential shortcomings of the method:

It is not clear [...] whether grounded theory offers us the best or worst of both worlds. If the best, it offers a way of producing generalizations through comparison while retaining a holistic sense of causal complexity. If the worst, we lose both the depth of intensive theorizing and the rigor of comparative inquiry (Dey 1999, p. 229).

Grounded theory originally received a rather unsympathetic welcome from many researchers working in the traditional model of sociological inquiry for several reasons. For one, the conventional model implies that theories can be formalised in a standard hypothetical format that allows their empirical verification. Yet, grounded theories are non-formalised theories that are frequently presented in a narrative or discursive form and do not easily lend themselves to verification. Researchers working along the lines of a traditional science model would therefore hesitate to consider the output of grounded theory studies as theories in the narrow sense of the term (Bryman 1988). Also, grounded theories are brought into being by a process that allows for a certain relaxation of conventional research methods, such as questions of sampling or the flexible nature of data collection tools. It has however been pointed out that methodological thoroughness not only gives the researcher confidence about the validity of the theory, but that it can help to create and develop theory by stipulating a

full examination of the evidence at hand (Brown 1973). Most fundamentally, since theories are generally the starting point of the research endeavour in the traditional model of scientific research, the notion of conducting research in a theory-neutral way cast doubts in the minds of researchers working along the traditional lines (Bryman 1988).

Criticism against the grounded theory method from the traditional constituency of the research community has been nurtured by the vast number of qualitative research studies that make reference to grounded theory “in a rhetoric of justification as opposed to a rhetoric of explication” (Locke 1996, p. 244). Often, such research seems to be based on a ‘pick-and-choose’ approach to various qualitative research methodologies (Stern 1994). Studies claiming to represent grounded theory all too often do not make any reference to the method’s detailed concepts; alternatively, they use methodological procedures that are not compatible with the grounded theory framework (Meamber 2000). Most researchers do not explicate which of the theoretical volumes have provided the analysis template; frequently, they also gloss over a discussion of the congruity of the method with their own epistemological basis. Such eclectic and often inconsistent use of the method has not helped to position grounded theory as a stringent research methodology in front of its statistically-minded opponents, nor has it advanced the scientific credibility of qualitative research in general.

Whereas researchers working in the traditional mode of science might criticise grounded theory for its lack of scientific rigour, qualitative researchers may consider the structure of the grounded theory method as an overly restrictive framework for the inherently artistic process that is qualitative data analysis. Critics argue that grounded theory’s emphasis on certain analytic procedures inhibits the ‘creative leaps’ required of the qualitative researcher in his attempt to be “interpretive, subjective, and scientific at

the same time” (Denzin 1988, p. 432). Although both Glaser and Strauss recognise creativity as an indispensable quality of the grounded theorist, it may be difficult to see where it could have its place in a process that is set to the minutest detail (Ellis 1992). Ian Dey (1999) warns that grounded theory’s emphasis on conceptual categorisation obstructs an understanding of the big picture of the participant’s life world by segmenting the narrative into disembodied fragments: “The body once dissected cannot be resurrected” (p. 99). Coffey and Attkinson (1996, p. 52) make the same point when they contrast qualitative conceptualisation *à la* grounded theory with narrative approaches that are sensitive to the ‘storied’ quality of the data. Grounded theory-style categorisation also introduces an interpretive stability that does not account for the shifts and diversities of meanings that are the very fabric of naturalistic inquiry. It does not allow for fuzzy boundaries or ambiguous category membership and thus subscribes, according to Dey (1999), to the classic schema model – a model that, as discussed in chapter 3.2, has been heavily criticised in psychological theory.

Preserving the diversity of meanings is a chief concern of qualitative researchers who work in a postmodernist frame of inquiry. These researchers try to avoid mixing their own interpretations with the voices of the research participants; they reject the stance of ‘scientific authority’ and ‘interpretive omnipresence’ that ‘traditional’ qualitative research – of which grounded theory is a part – exhibits (Richardson 1994). Postmodernist researchers would regard grounded theory-style analysis with its implicit degree of abstraction from the nexus of the research participants’ life world as a means of sanitising and colonising the Other (Fine 1994). Indeed, the vocabulary used by both Glaser and Strauss – terms like verification, hypotheses, tests, parsimony, analytic generalisability and most prominently causality – is strongly reminiscent of positivist social science. As Denzin (1988) rightly points out, researchers who adopt such a

vocabulary run a very obvious danger of missing out on the richness of the single case by concentrating on similarities and differences across cases. Even if efforts are made to preserve the individual within the more general, concentration on one core category “as a fulcrum of analysis” (Dey 1999, p. 261) and abstract conceptualisation inexorably distort the depiction of the complexities of real life grounded theories claim to provide. Maybe qualitative researchers have to content themselves with the ‘encased study’ of the human world (Dey 1999, p. 267) instead of abstracting the individual case into a theory, however ‘grounded’ in the data it may be?

From a methodological viewpoint, some of the procedures grounded theory proposes seem almost too trivial to be given the grandiose labels grounded theory likes to use. Ian Dey points out that the basic grounded theory procedures represent nothing more than “the common folklore of qualitative analysis” (Dey 1999, p. 98). It is normal procedure in qualitative data analysis to classify data, to aggregate concepts, to look for relationships between concepts and to derive conclusions from the data. Similarly, writing analytical notes is often a routine part of the analysis process (Miles and Huberman 1994). Hence, it is questionable if it is necessary to claim to do ‘grounded theory’ and to use all the labels it provides if one is doing the exact same as researchers who do ‘ordinary’ qualitative data analysis:

Indeed the practice of qualitative researchers might be rigorous without their explicitly employing any of the several approaches blessed with a memorable ‘label’ and a school of avowed followers (Fielding and Lee 1998, p. 180).

Strauss and Corbin’s version of the method in particular has been accused of complicating the process of qualitative data analysis to an extent where it obstructs its own application (Partington 2000).

The author of this dissertation acknowledges much of the above criticism levelled at grounded theory. The grounded theory method is indeed a highly prescriptive approach

to qualitative data analysis and the vocabulary seems at times unnecessarily pompous. However, the very rigour that can stifle the creative process of qualitative inquiry also guarantees the analytical thoroughness needed for theory development. The vocabulary offered by the method assists in making the often-mystical leap from the data to the conclusions in qualitative research studies more transparent and assessable.

From this author's point of view, the postmodern challenge to grounded theory is probably the most salient one. A research effort that abstracts the life world of research participants in order to construct theories necessarily subscribes to a post-positivist view of the world and might be considered obsolete in a world where new methods of social science research champion situated models and narrative modes of discourse. If theory development is considered a valid and even necessary undertaking, as the grounded theory method postulates, the process of abstraction should be made as transparent as possible and the researcher should make it clear where her own voice is heard and where the research participants speak. The resulting theory cannot and should not pretend to be an authentic representation of the life world of the participants, but rather a plausible conceptual account based on real-life characters and incidents and written by an author who brought her own creativity to the process. The extent to which such an account can still be considered a 'theory' in the 'good science' sense of the term – parsimonious, generalisable and inclusive – is debatable. Strauss and Corbin (1994, p. 278) defend the method's 'good science value' by stating that it allows prediction "in the limited sense that *if* elsewhere approximately similar conditions obtain, *then* approximately similar consequences should occur" (original emphasis). The author of this study however would not fully subscribe to this assertion; this is the reason why the subtitle of the present thesis does not contain the word 'theory'.

Grounded theory originates from a concern with the social world of living actors and their interactions with other actors in that world. A proper reading of Strauss and/or Glaser's works makes it obvious that the method is largely anchored in this social psychological framework. This background has been considered appropriate for the inquiry into sales people's customer knowledge: as sales people work in a social world and interact with other social actors, an investigation into their knowledge structures has to include the world in which these structures are enacted and modified. In addition, the inductive, processual and contextual focus of grounded theory makes it suitable for the study of human knowledge, which itself has an inductive, processual and contextual character (Gupta, Iyer and Aronson 2000). Grounded theory was chosen as a methodological guide for the present study because the researcher wanted to investigate a phenomenon occurring in the social world from an emic viewpoint through the use of qualitative data while at the same time attempting to move beyond 'thick description' toward theory development. Despite its diverse shortcomings, grounded theory was regarded as occupying a position midway between highly restrictive quantitative approaches and what might be an overly idiosyncratic qualitative approach. Doing grounded theory means to go through a painstakingly detailed process of recurrent microscopic data analysis, which ensures a full conceptual capturing of the material at hand. The method offers a structural framework and accountability criteria that were welcomed for a PhD research project as well as potentially facilitating the acceptance of the study in the wider research community. The author of this dissertation admits that by using a grounded theory framework, she puts herself in the rather paradoxical position of questioning schema-theoretical notions in sales research while at the same time employing a methodological framework that is intrinsically linked to categorising and classifying. However, in the light of the strengths of this methodological framework

and the scarcity of accepted alternatives to classification exercises for qualitative data analysis, this paradox was accepted as inevitable.

Although the method has served as a research template, deviations in the sampling procedure and analysis have been undertaken to heed some of the discussed criticisms and to make the method more user-friendly (see above). Taking such liberties in the approach appears acceptable in view of the encouragement that Strauss and Corbin (1994, p. 276) give to researchers to adapt grounded theory frameworks to individual circumstances:

Individual researchers invent different specific procedures. Almost always too, in handling the difficult problem of conceptual integration, they learn that advice given in the methodological writings and/or the grounded theory seminar requires adaptation to the circumstances of their own thought processes.

From an epistemological point of view, the (post-)positivistic position of the method is acknowledged and accepted; the author – who would espouse a more constructivist conviction outside this research setting –however joins Charmaz (1994) in her acknowledgement that the objectified form and tone of this report belies a research process that involved a mutual shaping between material and researcher.

Section B: Analysis

6 The story of a grounded investigation

6.1 Interviewees and their industries

As will be explained in this section, business-to-business companies from a range of product and service industries with different sizes and organisational structures were solicited to participate in the present study. This was done in order to investigate universal aspects of sales people's customer knowledge independent of industry-specific factors. Prus (1989, p. 51) remarks that

While questions may be raised about including both a wide range of products and multiple levels of enterprise in the analysis, these strategies have considerable merit. Once one moves past the mystique surrounding particular products and levels of merchandising, the parallels are striking. For example, vendors can sell candy in a wide variety of ways, but others can also sell clothing, appliances, and automobiles in similar ways (and vice versa). Likewise, manufacturers, wholesalers, retailers, and those involved in promotional trade all deal with suppliers, face pricing decisions, rely heavily on repeat trade, face troublesome customers, and so forth. [...] once one looks past the 'content' to the 'forms' of association [...], it becomes evident that one does not need a separate theory for each product, industry, or level of sales. The advantage of this wider scope is considerable. It provides invaluable comparisons and contrasts across a wide range of products and styles of marketing. The result is a much more balanced statement, and one that sheds considerable light on marketing and sales activity in a variety of settings.

In contrast to Prus' study of the sales interaction in retail and industrial selling, the present study was limited to business-to-business sales environments. Although Beatty et al. (1996) have argued that relationship and customer knowledge issues do play a role in retail selling contexts, it was assumed that they are even more crucial in a setting where the parties are in a prolonged and often highly intense contact and thus have a chance to get to know each other intimately. As Dwyer, Schurr and Oh (1987) point out in their seminal paper on relationship selling, in such a context the relationship between customer and sales rep can lead to substantial economic and noneconomic benefits for

both parties. Besides a limitation to the business-to-business sector, the second stipulation was that participating companies were 'indigenous' in the sense that they had an independent Irish operation selling into the Irish market. This was done in order to avoid an additional level of complexity in the study through the introduction of the international element. As it happened, all interviewees were Irish nationals, although some of them have working experience abroad.

Respecting these two conditions, companies were sampled from a broad range of product and service industries. All companies were approached either through individual staff members known to the researcher or through formal contact with senior management and were assured of anonymity and confidentiality. Interviewees were chosen according to their position in the firm; an attempt was made to include sales representatives as well as sales managers or directors and in some cases national account managers in order to explore internal multilevel interactions and differing viewpoints on the same customer base. Sales performance or length of experience of individual sales professionals did not play a role as sampling criteria, as the study did not try to relate customer knowledge to sales success. In line with Glaser and Strauss' (1967) postulate that external variables have to earn their way into the analysis, both company characteristics and respondents' demographic details were kept on record and drawn into the comparison of incidents whenever considered necessary. To complement the depth interviews and observations, an analysis of the IT systems in place in the participating sales organisations was carried out. An overview of the research participants, their companies and respective industries is presented here for the purpose of situating the study in its empirical context.

The first company that agreed to take part in the study is Ireland's largest marketing communications provider. Founded in 1916, the company currently employs 100 staff,

has a turnover of over 55 million Euros and is privately owned. It offers full-service marketing communications to firms in the consumer and business-to-business areas. The company has held some of its current accounts for decades; others have only recently been acquired. Taking into account that marketing communications is an industry with a high level of staff turnover on the client as well as on the agency side, most personal relationships have been initiated over the last number of years. The three interviewees from this company – one female, two males - were at an account manager or account director level with between five and ten years experience in the industry. Marketing communications turned out to be a highly fruitful industry in relational terms. Most agencies have a long-standing relationship with their clients; although competition is intense when it comes to new marketing briefs, once an agency wins the contract the relationship could be regarded as ‘monogamous’. As switching costs during the course of a marketing project would be prohibitive and a change of service provider potentially harmful to the brand, the client is bound to be ‘married’ to one agency at least for the duration of the campaign and often for a number of campaigns in a row. The relationship between account manager on the agency side and marketing manager on the client side is therefore frequently one that develops over a number of years with intermittent periods of intense contacts, and it is just as often terminated by one party leaving the job as by one of the organisations ending the co-operation. In addition, an account manager often does not hold more than a handful of accounts, so that a considerable amount of time is dedicated to any one relationship.

As the company described was the first to be investigated, the interviews conducted were used as a trial ground for interviewing style, questioning tactics and question content. Later during the fieldwork, it was decided to study another advertising agency to compare the initial results with the later ones and further the insight into what is often

described as a prototype industry for relationship selling (Sharma et al. 1999). The second advertising company studied is smaller in scale, but would consider itself one of the most creative agencies in Ireland. The four people interviewed were younger than the participants from the first agency with an average of only two years client experience, and all four were women.

The second service industry chosen for the investigation was corporate finance. The company studied is one of Ireland's leading providers for life assurances, mortgages and investments as well as corporate finance. The corporate business arm of the company employs 300 people and offers a range of products from pensions, annuities and additional voluntary contribution to corporate risk. Just as advertising, products such as corporate pension funds are characterised by high value and a long-term commitment to the service provider. In contrast to the advertising industry, product providers are however rarely in direct contact with their end customer but sell most of their products through brokers. In terms of client relationships and client knowledge, the channel partner is therefore often seen as the direct 'customer', the one needed to win over in order to make the sale. However, most corporate end customers are known to the service provider and independent influence tactics are being employed to persuade them of the quality of the offer, even if the sale as such is handled by the financial broker. In contrast to most other companies studied where the sales responsibility lies in the hands of a single individual, the relationship to the broker as well as to the end customer in this company are usually held by two individuals: by an account manager who has the overall responsibility for the client or broker and by a product manager responsible for the offer. The product manager is seen as the technical expert to be drawn in for factual advice, whereas the account manager handles the day-to-day interaction with the brokerage or end customer. Because of this unique team approach to the client, it was

decided to use this company as a hunting ground for data on sales team interaction and shared customer knowledge. Interviews were solicited from four product managers and three account managers working with the product managers interviewed as well as from the head of corporate business who in his own terms champions customer relationship management in the department. Two of the eight interviewees were female; six were male. Sales meetings were attended to gather observational data on team interaction. Interestingly, and presumably due to this team selling environment, this financial services provider was also the company that expressed most interest in the subject of the study and that was most aware of the difficulties inherent in transmitting and sharing customer knowledge.

The next two companies to be investigated provided a significant contrast to the high ticket service environments of corporate finance and advertising where relationships are usually monogamous for periods of time, where competition is limited to a few players and where the number of accounts held by any one account manager does not usually exceed half a dozen. The two companies studied next operate in the retail business: one is a manufacturer and distributor of dairy products, the other operates in a range of food sectors including the confectionery business. In Ireland, the retail business is an intensely competitive environment where a few large supermarket chains, representing up to 80 per cent of the turnover of many providers, dictate margins and shelf availability. The two companies studied boast long-established and widely known international brands as well as a number of category leaders to offset the buyer power exercised by the retail chains. To keep with Glaser and Strauss' (1965) strategy of minimising and maximising the impact of the variable under study through theoretical sampling it was felt that this cut-throat environment could provide a context where the

importance of customer knowledge may be secondary to profit and margin considerations.

The dairy company studied was established as a co-operative in 1961 and represents Ireland's most successful food export operation. In the domestic retail market the company is mostly known for its butter and cheese brand name, which for many consumers is equivalent to the company itself. Beside these brands the firm also manufactures own-label products for their retail customers. The Irish operation of the second food company consists of four sectors, confectionery, grocery, food service and chilled foods. For the purpose of the study, the confectionery side of the business was investigated. As is the case with the dairy company, the confectionery operation has to exist in an environment of intense competition for shelf space and brand awareness where a handful of major retail chains dictate the terms and conditions of the business. Sales in confectionery are driven by two considerations: brand recognition, which can be influenced by advertising and promotional activities, and shelf placement, which is controlled by the retail outlet. It is often left to the influencing skills of the individual sales representative to obtain the most advantageous shelf placement for her products.

Both companies have similar organisational structures consisting of national account managers responsible for dealing with the large retailers at a headquarter level as well as a multi-tier sales force comprising a sales director, regional sales managers, territory sales representatives and a task force of merchandisers and relief sales people. People are usually promoted through the ranks, often starting at the bottom end of the organisational hierarchy. It thus happens that some of the senior people in these companies have been acquainted with their firms' smaller retail customers for decades, having frequented them as ordinary sales reps in the past. To investigate the dynamics between stocks of customer knowledge at different levels of the sales organisation, it

was decided to interview territory sales people as well as national account managers and the sales directors of both companies. The retail context as a relatively open context also allowed for an 'observation' of relationship building efforts on site; the researcher thus accompanied territory sales reps in both companies on sales visits. Incidentally, all research participants in these two firms were men; it seems that in general, the retail sales environment is even more dominated by men than business-to-business selling as a whole.

The next company investigated is active in the brewing business. With over one billion Euros turnover, the company is one of the largest indigenous Irish firms with a company history of over 200 years. At the time of the investigation, this company had just decided on the adoption of the leading sales automation software Siebel for its sales force and telephone marketing operators; it thus provided an interesting case to study the perceptions and expectations of information technology (IT) in sales organisations. Again, it was decided to conduct a multi-level investigation and to interview a sales director as well as a territory sales representative in order to get different players' views on IT issues. In addition, the IT manager responsible for the rollout of the sales automation software was interviewed.

The sixth organisation included in the fieldwork is a pharmaceutical and cosmetic wholesaler and distributor with four major arms of operation. Founded in 1948 by a group of independent pharmacists in the West of Ireland, the group is now quoted on the stock market with a turnover of 850 million Euros mainly in the domestic market. It was the first company included in the research with a sales and marketing function only; its main task is to add value to the brands for which it has an agency through service delivery and distribution. Four sales managers, one of each of the divisions, were interviewed for the study; two of them were female, two were male.

The six companies described above provided a solid basis for the evaluation of sales team interaction and management. A preliminary analysis of the data gathered however also showed that the frontline personnel perceive the sales interaction as essentially personal: issues of team interaction and back office support were secondary to the saliency of dyadic aspects in almost all interviews. For this reason it was decided to open up the inquiry to individual sales people from a range of different industries to get an even broader picture of the fundamental nature of the customer-sales person interaction. Sales representatives, sales managers, account managers and IT professionals from the following areas were interviewed subsequently: media, telecommunications, catering, real estate, building material, machinery, laboratory instruments, hardware. The researcher is confident that this spectrum covers services as well as products, 'soft-sell' situations as well as industries with extremely tight margins, companies with a near-monopoly as well as companies subjected to intense competition, traditional and long-established as well as new companies. The following chapters will show that despite the wide range of companies, customers and markets chosen to investigate, the personal interaction between the sales person and her customer is of a surprisingly similar nature. It will however also point out the extent to which product and market particularities have to be taken into account. Table 1 provides an overview of the interviewees and their industries.

Industry	Number of participating companies	Number of interviews carried out	Observations
Advertising and media	4	9	No
Financial services	1	8	Sales meetings
Telecommunications	1	1	No
Food and drink	5	9	Sales visits and sales meetings
Wholesale	1	4	No
Real estate	1	1	No
Building, machinery and hardware	4	4	No

Table 1: Interviewees and their industries

6.2 Overview of the empirical results

The characters are introduced, the scene is set: customer knowledge of sales people is the issue, grounded theory the method. Starting the empirical investigation, the author of this report was confident about these two facts. She set out with the empirical investigation prepared to find any of the theories of human knowledge validated or disproved in the field – the reason an inductive method such as grounded theory was chosen in the first place. Whether knowledge be schematic, situated, distributed or tacit, the remit was to investigate the ‘true nature’ of sales people’s customer knowledge, and research methods – observation and depth-interviews – were to be used as flexibly as possible to reveal this ‘true nature’. No *a priori* hypotheses or theoretical framework were used to guide the investigation; in the grounded theory spirit, any concepts or theoretical models had to emerge from the data gathered in the field.

The initial interview guide (see appendix B) was designed to incorporate a range of questions eliciting sales people’s customer knowledge from various angles. As an example, unprompted elicitation was attempted with the following questions:

- If I asked you to think of one of your customers, any one, and describe that customer to me in as much detail as possible? Anything that comes to your mind, what could you tell me about this customer?
- If you think of the last time you walked into a new account; what did you notice, what cues did you pick up, what were you aware of, what struck you?
- During that first meeting, what did you talk about with the person in front of you? And what did you think of him when you came out?

Schema-like mental segmentation of customers was queried with these questions:

- If you compared the customer you just described to me with another one, how would they be different, how would they be similar?
- In your experience, have you found that there are certain types of customers that you encounter all the time? Could you describe them to me please?

In order to investigate the use of customer knowledge, the researcher initially accompanied sales people on their sales calls and carried out a subsequent 'auto-driving' exercise by querying the sales reps on their observed behaviour (Heisley and Levy 1991). However, it soon transpired that such 'observation' of the use of knowledge was difficult if not impossible: the presence of a third person altered the normally dyadic situation to an extent where the observed interaction between sales person and client was deemed uncharacteristic of their 'normal' interaction. The following questions were thus aimed at eliciting the use of customer knowledge verbally:

- Do you think your approach differs from customer to customer? (*ask for examples*)
- Imagine you had a meeting with Joe Bloggs today at 2pm, how would you prepare for that meeting?
- Do you think the length of your relationship with a customer has an influence on your selling effectiveness? In what way?
- Do you think that your selling could improve if you had more information about the customer? What kind of information would that be? Where could you get it?

'Distributed cognition' in the sales team was probed into with these questions:

- Would you talk to other sales reps about your customers? At what occasions?
- Do you think your sales manager knows your customers?

- What would you know about other sales people's clients? (*ask for examples*)
- What terms would you use internally when talking about customers? (*probe into meanings*)
- Last time you took an account over from somebody - what information did you get on this account? Was there anything you would have needed to know but weren't told?

Although the researcher was aware of the difficulties in eliciting tacit knowledge, it was hoped that indirect questioning strategies would help externalise such knowledge:

- If you decided to leave the company and handed over your accounts to another sales rep, what exactly would you do with the person who would take them over, what would you tell her about your clients, what would she need to know?

Further questions about changes in sales people's knowledge of their customers and about sales training issues were intended to illustrate processes of internalisation – the transformation of explicit into tacit knowing (Nonaka and Takeuchi 1995). One section of the interview guide was directed at the use of customer databases in the sales department, which was thought to be relevant to the sharing and externalising of customer knowledge. Another section dealt with organisational issues such as incentive structures and reporting.

Thus, the interview guide was designed to cast a broad net to capture various aspects of sales people's customer knowledge. In addition, the guide was to be used as loosely as possible: the interview participant was to determine the course of the interview so that the data reflect their everyday realities rather than echoing the pre-formulated questions (Douglas 1985).

The respondents were briefed at the beginning of the interview that it was going to be a conversation 'about what you know about your customers and what you do with what

you know'. After initial rapport building and a warm-up question about the participant's current position in her company, which was assumed to be easy to answer, the researcher asked each respondent to describe a client of their choice in as much detail as possible. This question was intended to provide momentum for a subsequent detailed exploration of the respondent's client knowledge; however, it turned out that the momentum created by this question led in a direction that the researcher had not fully anticipated, as the interview excerpt below indicates:

One Joe Bloggs, he knows his industry very very well. He has been working in that industry for 10 or 15 years, and he is an expert in his field, and as an agency we could never hope to know more than he would about his product and about his whole area. He is very open to the idea of working with an agency because he doesn't have enough communication skills to further his own product line which he sees as important to his own survival in the company obviously. However, he does not pander to the amount of paperwork [...] that an agency can do to clients and looking after when he wants to be looked after; he isn't into agendas for meetings and he doesn't want contact reports. He wants to deal on a one-to-one basis with someone who can help him do his job. And he is very into the face-to-face contact and 'only phone me when you have something to ask me and when I have something to ask you I know where you are'. When I joined the company, I had the feeling that he was testing me as a person rather than testing my knowledge of the service that I am trying to sell as part of the agency, which was nice, challenging but very, very nice.

Advertising

The sales people interviewed did not talk about their customers in terms of clear-cut categories and they did not seem to use standardised approaches for different types of customer categories, as suggested in the schema-theoretical literature. Instead, when asked about what they know about a particular customer, sales people started to talk about their relationship with that customer, what the characteristics of this relationship are, how they develop and maintain this relationship, what the consequences of having a relationship with the customer are and other such interaction issues. Relational and interactional issues dominated the conversation to such an extent that almost all of the questions about their 'objective' customer knowledge were answered in relational terms by the participants. Initially, the researcher looked at such relationship talk as a

digression from the subject proper and tried to steer the respondents back to ‘the task at hand’ – talk about what they know about their customers *independent* of their own relationship to these persons. However, open coding of the first interviews revealed that the seemingly unwarranted relationship talk was at the heart of the client knowledge issue. What sales people knew about their clients was to a large extent connected to how they related to them; talking about customers implied talking about sales people’s relationships with their customers.

It was decided to explore such relational issues in subsequent interviews explicitly and to redraft the interview guide to take account of this change of direction in the inquiry (see appendix C for the revised interview guide). The results of this journey into ‘what is actually going on’ in the substantive area (Glaser & Strauss 1967, p. 239) will be discussed in detail in the following chapters. The following synopsis of the findings and the presentation of the final theoretical framework resulting from the analysis are intended to assist orientation and to provide an overview of the subsequent chapters.

In this study, sales people are found to possess two closely interrelated stocks of knowledge: customer knowledge *per se* and knowledge of their customer relationships. Customer knowledge *per se* is the stock of details a sales person accumulates automatically or deliberately over a long period of interaction with a client. As will be seen, sales people do not tend to categorise their clients, as the cognitive selling literature postulates. Even though the kind of detail they know about their clients may be similar, sales people tend to take each client as an individual who defies categorisation. One of the reasons for this individual view of clients is the fact that sales people gather their client knowledge in and through the relationship with their customers. In this process, they also accumulate what will be called ‘relational knowledge’ in this study: knowledge that sales people build up over years of engaging

in relationships with clients and sometimes with the help of mentors whom they observe relating to clients. Relational knowledge includes knowledge about the nature of the client-sales person relationship, particularly about the extent to which personal elements can enter the business relationship, the bases the relationship is built upon, how a relationship develops, what its outcomes can be and where the limits of a business relationship are. Even knowledge of customer particulars like interests, business style or personality, is often cast in relational terms. Such relational knowledge is almost exclusively experiential knowledge; it is built up, developed and updated during the interaction with the client and thus effectively *situated* in the relationship. Outside information on the customer given by a predecessor or by colleagues cannot substitute a sales person's individual and often prolonged experience with a client – as one respondent said: 'you have to meet them to understand' (advertising). Externally provided client information can even be seen as detrimental to the development of the client relationship because it can bias the sales person from the outset. Similarly, the use of customer databases is often perceived as inimical to the relationship; it seems that knowledge of the other in a 'genuine' relationship does not need to be captured on IT.

The distinction between a 'genuine' relationship and a mere acquaintanceship is one that is frequently drawn by the respondents. It appears that even if the end purpose of the relationship is almost always a 'mercenary' one – namely the sale - the relationship effort can still be genuine in many cases. In a genuine relationship, trust, honesty and mutuality are perceived to form the ground on which to develop a relationship. Two other types of client relationships, namely 'business only' and 'cultivated' relationships, are contrasted with the genuine and discussed.

The development of any of these types of relationships is most often seen as organic: the sales person cannot easily skip stages of this development. She can however actively

promote the evolution through the stages by cultivation techniques such as face-to-face contact or social gatherings. Both the knowledge of the individual customer and the pool of relational knowledge built over the years of customer contact can help the sales person choose the most effective cultivation strategy for an individual client.

When asked about the consequences of maintaining client relationships, actual sales outcomes were not referred to prominently in the interviews. However, some respondents mentioned that the relationship helps overcome the power asymmetry often inherent in the sales interaction and that it makes negotiation with the client easier. Others did not see a connection between the 'relational mode' of interaction and the sales interaction proper. For these people, the relationship does not and should not influence how client and sales rep can 'play hardball'. It does however offer the client and sales person a non-adversarial level of interaction to which to come back once the sales negotiation proper is completed.

A relational approach to the client seems to enhance the self-image of the sales person. Rather than being 'just a sales rep' who annoys people by 'pushing the sale', she may see herself as working for the client's advantage and as a bridge between her own organisation and the customer. In the relational mode, qualities such as listening skills and social skills become vital. Formal sales training, although useful for the development of negotiation skills and other sales skills, does not appear to offer much value in terms of building up relational skills. Many interviewees mentioned mentoring or on-the-job training as their main sources of learning on how to create and sustain relationships.

Even though a relational approach can enhance the sales person's self-image, it also bears a very real risk for her: in a relationship, what is sold alongside – and even before – the product or service is the sales person herself; rejection can be devastating in such a

situation. Some sales reps therefore seem to develop certain distancing strategies: they perceive the sales encounter as a complex *mise en scene* in which they play the best role they can, and play it as well as they can. This offers them the comfort that if their performance is not valued by their co-actors – the clients – it is not really themselves who are rejected, but only their sales persona. This perception of *mise en scene* can be a litmus of how ‘genuine’ the business relationship is – if the sales person shows her off-stage face to the customer at business trips or other social outings, the relationship often obtains elements of a (truly genuine) friendship.

As the sales rep undergoes all these efforts to build up client relationships, she develops a strong sense of ‘owning’ the relationship – in a very literal sense she and the client have created a sphere that solely belongs to them. The sales team, the sales person’s organisation and the technological infrastructure in place are environmental factors that do not heavily influence the dyadic nature of the sales person-client relationship.

As indicated, the following chapters will discuss each concept included in the final theoretical model in detail as it emerged from the empirical investigation. Chapter 14 will then draw from the extant sales and marketing literature in order to evaluate the theoretical concepts. The theoretical model depicted below (see figure 4) is the final result of the analysis and will be revisited in chapter 14. It is introduced at this point as a graphical guide through the subsequent chapters.

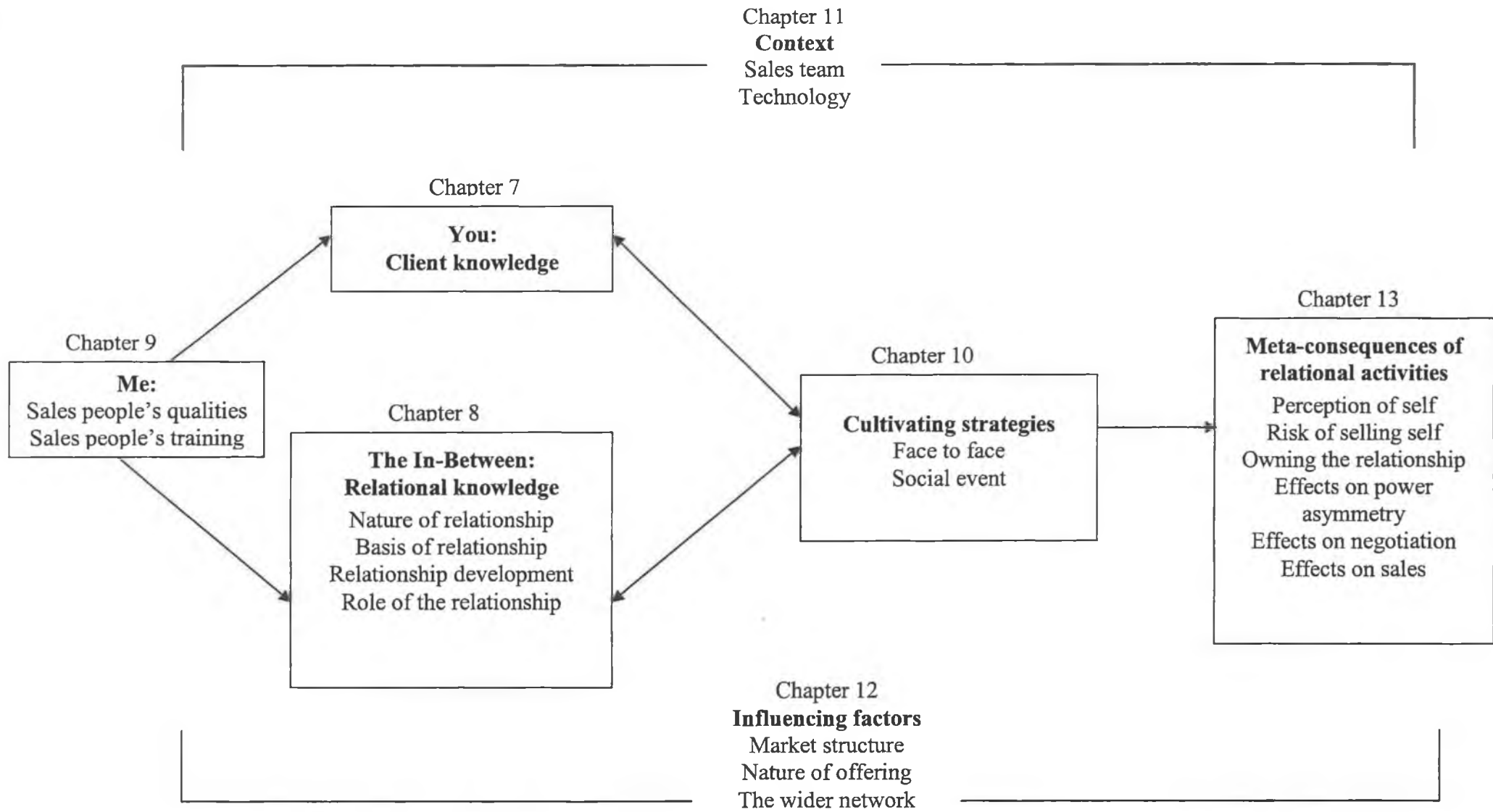


Figure 4: A grounded model of sales people's relational knowledge

7 You: Sales people's knowledge of their customers

One of the most challenging aspects of a sales person's job is the fact that she meets a vast amount of very different people every day and by the nature of her task has to try to develop a certain degree of rapport with all of them. As Goleman (1998) points out, the basis for rapport building is the ability to take the perspective of the person vis-à-vis – an accomplishment that is only possible if the sales person possesses a profound knowledge of her clients. In general, what sales people know about their customers (as opposed to what they know about their customer relationships, which will be examined in chapter 8) seems to pertain to any one of the following areas:

- The client's personality
- Anecdotal evidence, hobbies and family status
- The client's knowledge or ability
- The client's duties and position in his company
- The client's mode of functioning

7.1 The client's personality

When asked to describe a client, most respondents begin by portraying the client's character; such descriptions can range from rather negative judgements like this 'person is blunt' or 'arrogant', through 'she is interested' or 'very determined', to 'a very jolly chap', a 'very nice gentleman', a 'very genuinely lovely fellow' or just plainly 'he is a nice guy'. Such evaluative statements on the client's character are frequently made in a surprisingly compassionate tone. The sales person seems to take the stance that the client's character specifics are not something that could be held against him, but that it is a part of the sales person's job that she finds a way to work around these traits. Often,

it helps a sales person to know that it is not her personal responsibility if the client behaves in a certain way, but that this is 'just the way he is'. Even personalities who are described in very negative terms can thus be accepted:

I knew from the word-go that she would be tricky. But it took me about four or five months of working quite intensively with her. Because you go through the phase of thinking: she is just in a bad mood, to the phase of thinking: maybe I am not doing my job properly, maybe I am missing something, to ok, that's just the way it is going to work, and that's the way it is going to work best given those constraints.

Advertising

Well, there's one person in there, he's at a director level, and he would be considered a narky person. So we go out and have to deal with him, and when he says: Oh, I don't know about that, I can't, then you have to understand that he is not only saying that because it's you, he is saying that to everybody he meets. Cause he is just a negative person. So you can't take it personally: it's just us and he hates us. He hates everybody anyway! That's the bottom line. So you have to find a way to work around that. But knowing the individual, and I know him for 20 years, that's the way he is. Everything is a hassle for him. You wonder how he got to where he is, but he did, and now he is there and you have to cope with him.

Financial services

If the sales person finds that a client has a very agreeable personality or one that is similar to her own, the sales interaction often assumes an air of complicity. 'Having a good laugh' with a client not only makes the interaction pleasant for both parties, but character compatibility between client and sales rep is also often the basis on which a relationship between the two parties is built:

I think at a basic level people also have to get along with each other. Some people can just see the world like other people or they find the same things funny or we both like the same people or we both dislike the same people. You have to have these common things, it's like any other relationship in life. So that's probably the ultimate thing behind it all. The trust and respect and whatever, they are almost the technical things, they are very, very important, but behind it all if you don't see the world in the same way that they see the world, it's always going to be difficult to have a relationship with them.

Financial services

However, a clash of personalities or a personality that is not conducive to relationship building efforts on the part of the sales person can cancel out any attempt to move the sales relationship onto a more personal level:

But you also have to understand the person that they are and the barriers that the personality will put up. I have one client for example - no matter how I try to build

up a relationship with her, because she is a pretty power-hungry person she will never allow me to be the adviser for her that I could be. So this relationship will only ever flourish to a certain extent; and we have a very good relationship and we do respect one another's work all the time, but it will never be as close as it could be because of that. And I have tried and tried and now I have come to the conclusion that this is the way she wants it to work the way it is working now.

Advertising

Again, knowing that the lack of personal harmony does not imply a failure on her part can help the sales person come to grips with 'difficult' clients and preserve the sales person's sense of self-worth. When sales people describe such 'difficult' clients it is noticeable how exposed they are to clients' whims and moods. One interviewee, in describing a 'difficult' client, pointed out that if ever she were working on the client side of the business, she would be the most wonderful client – polite, welcoming and non-threatening to the sales person in front of her. Indeed, it is easy to imagine how much somebody who is greeted by aggressiveness and defensiveness throughout the entire working day must relish a pleasurable encounter.

From a business perspective, knowledge of a client's character aids a sales person to gauge the client's business demeanour and the extent to which he can be trusted in his assertions:

He is - not an extrovert personality, but quite a straightforward one. A lot of brokers will more or less exaggerate or misrepresent something in order to gain advantage in a negotiation. But he wouldn't do something like that. He would just be very honest with what he thinks we should be doing.

Financial services

Personality - he is quite blunt, but I enjoy working with him and being with him because he is honest, he would tell you straight away.

Pharmaceutical

A client's character can also serve as an indicator for the sales person to know what is expected from her:

The person tries to make life as simple as possible for himself, he has got quite a lot of responsibility, he likes to think in black and white, to have everything as clear-cut as possible, he sees it as your duty to do that, to take the confusion out of the business for him. He expects you to be honest and upfront with him. If you're not, then you will get a major row with him. Generally I would find him very fair-

minded, provided you don't try to be too smart or pull him over, once you have the level of trust built up with him, I find him particularly fair, tough but fair. But again you have to know what they find acceptable, what they require and what they don't require.

Advertising

Many respondents take great pleasure out of carrying out such 'detective work' and find it highly rewarding if they have the feeling of having 'cracked' a particular customer. Knowledge of a customer's personality is crucial not only for attuning the sales pitch and gauging a client's assertions, but also for rapport building. It allows the sales person to evaluate a client's business statements and it prevents a sales rep from getting upset by a less than welcoming client attitude.

7.2 Anecdotal evidence, hobbies and family status

Developing insight into a client's character often goes hand in hand with getting to know details about the client's life outside the office. Such details include knowledge of particular interests and hobbies that the client pursues as well as knowledge of his family situation and other personal circumstances. Knowledge of a client's outside life not only satisfies the 'great curiosity' some of the respondents own up to and makes the interaction more enjoyable, but more importantly it can also make good business sense.

For one, knowledge of a client's situation can allow the sales person to adapt the nature and timing of the offer to the clients' circumstances and approach him at a moment and with an offer that is tailor-made to his business *and* individual needs:

That guy M., I know him so well that I know he is in a conservative mood at the moment because himself and his wife have bought a house, they are spending money on it, I know at home that F. his wife has been giving him stink because he was working so hard up to Christmas for four or five months she's seen very little of him, and I KNOW this. And I know that she wants him to come home early in the evening at the moment, they want to be going away a lot of weekends, so I know at the moment it's not the moment to be putting a big deal over M. that is gonna need to put a lot of time, maybe 24 hours 7 days a week to get it off the line for about a month. It's better going to somebody else. So I need to know what's going on in their lives. Because some deals take a lot of time, other deals take a lot of money. The other guy, J., I need to know what mood he is in, what is going on in his life. Best time to get him to do a deal is ALWAYS the day after he comes

back from holidays. He is ALWAYS in a very good mood. That's when I put something to him. I nearly hold off, even though he asks me before he goes away: Anything we should be looking at? No, go off and enjoy your trip, but I ring him the day he comes back from the airport. That's the time to hit on him, when he is relaxed, his mind is open for things.

Real estate

At the same time, knowledge of client particulars allows the sales person to engage the client at a level of communication that is readily understandable to him:

I am doing event management, so it probably would help me in understanding the way they think. If they are very family-orientated and I try to get to them, for example to take a sponsorship, if they are the family type of person you have far better chances of selling them a sponsorship that is associated with families and communities. And if they're single and totally business-focussed you're better off going to them with a business-sponsorship because that's the way they're thinking.

Advertising

It is apparent that if the sales person approaches the client on a level of communication that lies outside the business level, the interaction also becomes much more enjoyable for the sales person and the client alike. Often, engaging the client in a conversation about a topic he is interested in can neutralise the aggressive tone underlying many sales encounters. In this sense, knowledge of client particulars has a disarming effect. A contributing factor here is that the sales person often feels better prepared and thus more confident if she goes into a sales encounter with the knowledge of how to move the conversation away from potentially dangerous waters:

I am going to meet a customer today, and she is not all that happy with our service at the moment. She is with us about six or seven years. I know her a long time more because she actually worked in the shop before she purchased it. Now I know about her, I know what she is interested in, she is interested in tennis. I know about her daughter, she is in school, I know her husband, her husband works in the garden maintenance business, so I'd be chatting a bit about that to her, but then she maybe wants a few things clarified. So I go in and we maybe have 10 minutes chit-chat, going to lunch, talking about everything, and then I just bring up - she wants to know A, B, and C about her account this, that and the other, and I would just talk to her about that. But I would make sure that I would remember her husband's name, the daughter's name, what they are doing, her interests, and it's not that I have it on the top of my head, but I kind of sit back and say: Right, I am meeting this person today, and what way will I handle it.

Pharmaceutical wholesale

It is noticeable that in the above quote, client knowledge is used in a very deliberate, indeed almost strategic way to prevent open confrontation. At a more basic level, outside interests simply serve as a conversation opener for the sales interaction, as in the oft-quoted phrase: “Have you seen the match on Sunday?” They can also be used to fill the ‘pregnant pause’ that, according to some interviewees, frequently develops after a certain amount of time in conversations between people who are not very intimate with each other. Again, knowing that one is prepared for such gaps in the conversation increases the sales person’s pre-call confidence.

Besides playing a role as conversation fillers and ‘fabric softeners’ for irate clients, shared interests can make a genuine contribution to the development of the client-sales person relationship. Commonalties of interest can help to establish rapport between customer and sales rep and can thus move a business relationship to a more personal one, one which (as will be discussed in chapter 8.1), follows a distinct set of rules. The following vignette describes an incident where the discovery of a common interest between sales person and client moved the interaction from an adversarial plane to a collaborative one – and where the sale was all the easier for it:

I just give you an instance of what I was doing with my sales director two weeks ago. New call, new company. They have received a quote from us, the quote was by a guy who was looking after that area at the time and it was completely wrong, it cost four grand, he is not working with us now. So we went in to establish, cold call, haven’t met him before, and obviously my director wants to see ME in action as well, so there’s this guy who’s waiting for my action and this guy who wants to see me. So you are going in and you say: What am I gonna do, and he says: Well, I got a quote here, and it’s fairly straightforward about the business. And you are saying to yourself: Oh Christ, he is weeding you on price, and it’s no this, no that, I know he is gonna buy, he knows he is gonna buy, I don’t know how you know, I talked to the other people in the lab and I knew that something was gonna happen and it was just a matter of getting the right price. I had given him the right configuration, but because it had gone up four grand from what it was previously, he said: I have got my money here, I can’t do it, I have to put it off, we’ll do it manually, and I know he is just saying that, he wants to buy it. We exited the place, we said: Look, we’ll look at the cost, make a quick phone call to the office and we’ll see what we can do, if we can’t do it, we can’t do anything. We’ll see you in two minutes or whatever. So we went into the car and we had a chat and we said: Ok, we will have to give him this price or whatever, and at this stage it was all

business, there's no relationship or anything, ok so. And we are out in the car, and on the way out I looked at a picture on the wall, and I saw, I thought is he into golf, it's a group of people, is that golf or fishing? And the guy I am working with is into fishing, so I said: There's a picture on the wall there, your man must be into golf or fishing. And we established what our price is going to be and we go back in, Dave looks at the picture on the wall, sure enough they are fishing. And he looks on the ground and there is a fishing magazine. And the guy is on the phone and we've got a couple of minutes and Dave picks up the magazine and is looking through it. And your man puts down the phone and says: Oh you are into fishing, are you? Well, I bought this here on this page last week. And like that, work went out the window and we spent half an hour just talking about fishing, literally, and actually we spent half an hour just listening about fishing. He bombarded us with every salmon he caught and every pool he threw a rod in, and he is a very good fisherman, that became very obvious very quickly. We chatted away and Dave is really into fishing and I just said: Can I just have a quick word about the price, we can only do X, oh, that's ok, that's fine and when you come back to install it now, I will take you out. And that's it. Once we had established a different relationship, the business lasted one second. Boom. Now he was all business before it, all chat, and we were getting nowhere as in he was battling us, we were battling him, and for some reason the fishing, he could just see, these guys are ok, the price is fine, that's grand, don't worry about it, all done. And it was amazing to see how a relationship could move from just pure business to that. But the thing is, Dave actually said: Look if you go to that lake give me a call, I want to go fishing, I want to do this. So they were obviously getting on at a different level, and he will do that, he will go down and he will go fishing with him and he'll probably go fishing with him every year when he is over there. It just seemed to pick up and go, this guy has obviously never seen a sales guy before who is into fishing. I don't know, but they got on very well, and it didn't make the sale harder, put it that way. But we knew before we went out there was gonna be a sale and the price would do it. But that just seemed to make it a bit more fun, and it IS more enjoyable, and it IS more that there is something in it that you can actually chat about in the future.

Measuring instruments

The above excerpt also shows that details on the client's interests and circumstances are often collected in a very deliberate fashion, for example by inspecting the interior of a client's office. Most sales people interviewed are very aware of how valuable such knowledge of clients' outside interests is. Detail knowledge in this sense is often used as a strategic tool, serving at its most basic as an indication for who to invite to a rugby match or to an opera through to having a means of establishing a non-business related level of communication with the customer. At its most sophisticated, detail knowledge is used as a device to accelerate the development of the client-sales person relationship through the stages described in chapter 8.3. As will be discussed in more detail later, a non-business related friendship is characterised by the fact that the friendly parties know

certain details about each other. In a business relationship, such closeness can be imitated by systematically recording and using snatches of personal information about the customer. Attention to the customer's personal circumstances and interests, even if motivated by primarily utilitarian concerns, shows the customer that the sales person 'cares'; it promotes trust and intimacy:

And when you talk about - you pick up things about people along the way, and that's very important as well, to know people's major characteristics, what it is that interests them, [...] you don't lie or spoof or anything, but you definitely should know say when you meet this person who is a movie buff what's the latest great movie, and they kinda go: Fair play, remembering. And that's important to people that you do let them know you're picking up the strands as you go. [...] So you kinda take him as a friend, and as a friend you say: Well, I don't know your son's name, but I know you have a son, and the next time, I will know now that you have a son. So next time I'll say: How is your son. And it's important that people garner facts about other people. And it's to gain people's confidence, but not in a mercenary way to gain sales. It just makes it a so much nicer way to deal with people, if you can do it as a friend and you know about them and they know about you. Just go out there, talk to people and see if you have things in common.

Media

Find out when people's birthdays are and send them a card. I had a lot of female clients in the States and I don't want to be sexist, but they even loved it more, that personal touch. Find out about their kids. I used to arrive at meetings and one of the first things, I partnered with one of the guys and he fell nearly over, I remember I arrived in at a meeting and I had written down from the last meeting, this one Barbara had told me that her daughter Eva was sick. I walked into the meeting and I asked her, this is about three months later, did Eva recover? First thing, straight away, how is she? And she says: Oh, thanks a lot, wow, you remembered. And I say: Yeah, I was thinking about her, must have been a worrying time for you. And we talked 10 minutes and she was so relaxed! Your man came out and thought I was a genius. I simply had it written down from the last time.

Real estate

Such use of customer information in order to 'show you care' however has its dangers as well. For one, it can easily transpire that personal details are solely being retained in order to make the sale. As an example, a chance encounter between a sales person and her customer on the street can easily betray that even details such as the customer's name are only 'remembered' with the help of a customer database that is consulted before a sales call. If the sales person does not have any real interest in the client outside

the sales interaction, knowledge of customer details becomes phoney and may harm the relationship more than it promotes it.

Secondly, personal detail is often information that is transmitted from one person to the other and cannot be used outside this particular relationship. As one interviewee put it, “there is something eerie about somebody coming in and talking for the first time to a client and the next time they come back they know everything about him” [machinery]. It is even more surprising if a sales rep calls into a client for the first time and already knows that this particular client likes golf! If the accumulation and use of client-related information does not happen organically, it is easily recognised as a sales device and can trigger a sense of defensiveness and concern about privacy in the client rather than trust and intimacy. One interviewee hinted at an almost unwritten contract between the sales rep and the client: As long as the client is a ‘good’ client, the sales rep will stay loyal to the client and keep the ‘secrets’ she learned over the course of the interaction with that customer. If however the client turns into a ‘bad’ client the sales person no longer feels bound to the ‘privacy contract’ and may divulge private information to other members of the sales team. Even if this kind of attitude to the client’s private details may be an extreme one, it transpires that through their relationship to their clients sales people frequently feel obliged to guard carefully any personal information they may learn about the client.

7.3 The client’s knowledge or ability

Many respondents describe their clients from a professional point of view by his job-related ability and knowledge or lack of it, as may be the case. Clients are thus described as ‘highly knowledgeable about his industry’, as ‘knowing all his stuff’ or as ‘not yet fully in tune with what’s happening in the market’. Clients are commended on their knowledge of the technology or the industry, but at the same time they are

scrutinised for what they may *not* know – as this is where the sales person can take on the role of the leader in the client-sales person relationship and add value to her services:

He is very good in his job, he is very committed and dedicated to the brand, I wouldn't say he is fully in touch with everything we have done, so you need to give him the history of the brand, 'this is what we have done before', and what promotions you've done and what PR, what's worked and what didn't.
Advertising

In this instance, the advertising account manager can act as the custodian of the brand – even though the brand does not belong to her, she is the one who holds the knowledge of the brand's history and evolution, a fact that makes her irreplaceable for her client. Less knowledgeable clients can also be steered by the (more knowledgeable) sales representative into a direction they deem beneficial for their own interests. This is particularly true for very young or inexperienced clients who often become dependent on the information a sales person passes on to them:

He is only new but he wants to be fully in tune of what's going on because he is also a bit afraid about what steps he can take or where he can go, so half of my job is an education job, and because he is new, there is a whole teaching process, which is good because you can teach him the way you want to.
Advertising

A lot of the pharmacists they are not business people. They went into college for four years, they come out, they may not have any business acumen at all. Next thing they go into retail and they own a pharmacy, your average grocer next door has far better business sense than your pharmacist. They are used to dealing small detail things, and what we like to see ourselves as, which is again going back to that partnership thing, that we become the experts from the business point of view.
Pharmaceutical wholesale

If a sales person can add value to the customer by filling gaps in his market or business knowledge, the power balance in the relationship is changed in favour of the sales representative. Being considered a specialist in certain domains also enhances the self-image and confidence of the sales rep (see chapter 13.4).

7.4 The client's position in his company

Another important part of a sales person's knowledge of customer particulars – and one that has been widely acknowledged in the sales literature – is the knowledge of a client's position in his own company. Such knowledge helps the sales person to determine where the decision making power in the client company lies and how to influence the diverse members of the buying centre:

They [the client's colleagues in the laboratory] would come to him and say if they think a product is good or bad, but ultimately he would make a lot of informed decisions himself. He doesn't like the purchasing department trying to tell him what to do. So like in any sales process you have to know who the person is with the most power. So within that hospital, purchasing would find it very hard to argue against him. If he decides to make a selection on a product even though it might be more expensive than another product.

Pharmaceutical wholesale

You have to find out who is who in a pub, who is the owner, who is the manager, who are the key barmen, because they can influence decisions as well. So we not just talk to the publican, we talk to all the people along the way. You know, if you walk along and you ignore the barman, and you go up to the owner, you can't expect the barman to push your product after that. So if somebody walks in and asks for a pint of lager, and he hasn't got to know the * rep, there is a good chance that he pours a pint of * or a pint of *. So if you got that relationship there is a better chance that he says: Yes, I will pour him a pint of *. So they do have the ability to influence.

Brewery

Knowledge of the pecking order in the company is often imparted formally or informally through the sales person's contact in the company himself. The better the relationship with the client is, the easier it is for a sales rep to learn about the hidden powers in a company and the constraints the internal environment puts on the client. Knowing the structures of the company and maintaining a good relationship with the direct contact in the company enables the sales person to push her product or service through the system. However, knowledge of the company structures can also be helpful if the sales rep runs into problems with her particular interface in the client company:

Company politics [are] really really important, because no matter how nice the person is that you are working with or how difficult they are, there are greater animals and you have to have an understanding of that and how they fit into that

greater picture. If they are only a small fish in a very big pond and you have somebody you can go to when there is a problem with the client, then you have to know that.

Advertising

Knowledge of company politics is crucial even on a micro level. If a sales person interacts for example with two buyers with different purchasing responsibilities in one company, it is vital for the sales person to gauge the relationship between these two individuals and to be seen to treat them equally. Even if the sales person considers one of the individuals as her main ally in the client company, her overt behaviour toward both has to be balanced.

Part of the political knowledge of the sales person is to know how much the company culture affects the individual client. The best effort to build a successful relationship with a client can be jeopardised by constraining internal structures. A positive climate in the relationship may be maintained if a sales person knows that problems with an account are not caused by the individual but by the structures surrounding him:

And because of the hierarchy of it, marketing people are quite constrained. So when we present something to them, the marketing people might love it, but they quite often come back the following week and say: I am sorry, such and such a person further up the line just didn't like it, we can't go with it. And that can be quite frustrating, you could say: oh I can't stand him or her, the client, but you just have to keep telling yourself that it's not their fault they have been constrained by people outside. So for example my one key client in that company, I have her with a personality which I love, and I have her constrained by the company structure which really frustrates me.

Advertising

If the client is otherwise looked at very much in personal terms, in terms of decision making power and cultural influences the individual and organisational level of interaction conflate; the client is thought of as a member of a bigger entity that has to be taken into account in the sales approach.

7.5 Mode of functioning and service expectations

From a practical point of view, the most essential information for a sales person dealing with a particular client is to know how this individual likes to work and what he expects from sales people on an operational level. A strong customer orientation can prompt a sales person to be more perceptive to customer signals and thus to collect the information necessary for assessing customer needs and for offering information that will satisfy these needs (Saxe and Weitz 1982). If a sales person is able to read a client's needs correctly and adapt to these needs, sales performance and customer satisfaction are likely to increase (Keillor, Parker and Pettijohn 2000). On the other hand, if she assesses a client's service expectations incorrectly or has a way of operating that conflicts with her client's preferences, she may be perceived as not delivering high-quality customer service regardless of the overall efforts she puts in. A client's way of operating may influence the level of product quality he expects, the timeliness of the delivery, the channel of communication he prefers, the amount of sales pressure he accepts, but also his way of thinking and, as one respondent put it, 'what makes him tick' – what he is interested in and what excites him.

At the most basic level, such information can help a sales person practise what is commonly called 'adaptive selling' (Weitz, Sujana and Sujana 1986). The following excerpt illustrates how a perceptive sales representative can gauge the best angle of attack for a sales presentation and deliver arguments that are tailored to the customer's needs:

We went into * Stores yesterday and one of our brands is Polaroids sunglasses. And hopefully you will see them in there during the summer because we haven't heard if they are taking them in. They took them in last year, but you never know. So I had a full presentation and I had only met this customer a few times before. But I had an idea going in I shouldn't go heavy on that whole marketing thing. Do you realise that the market is that size, do you realise that Polaroid is the number one brand. This guy - I kind of had the feeling he is not gonna be interested; so I thought I would suss him out when I am in there. So I said: look, I have a laptop.

Do you mind if I set up the laptop and we go through the presentation? Oh, he said, I am more interested in - I hope you are not going to give me any marketing jargon, he said. So I had to skip over about two thirds of the presentation. And you have to learn to think on your feet. That person, he didn't want the marketing information; he wanted to know: What is it we are going to do for HIM? Not for people coming in looking for sunglasses, not the global picture, he wanted to know what is * going to do for him G. in * Stores to help make a difference on HIS account. And everything was addressed in that respect. Now I could have gone into a pharmacy an hour later and what they'd want to know is: What's happening out there, what sort of people are coming in looking for that? You have to adapt your style of presentation depending on your customer. You can go into a customer and they don't want to know product knowledge, there's no point even talking to them: Do you realise that X is an antihistamine and has this or that quality, they might just want to know: What's in it for me, what's the deal that I can put money in my pocket.

Cosmetics

The importance of this type of information has long been recognised in the sales literature. The possibility to alter a sales presentation during a sales call based on the specific information needs of the customer is a characteristic that distinguishes personal selling from all other marketing communication tools, which convey a standardised message (Weitz 1981). Anglin, Stoltman and Gentry (1990) show that sales performance and the degree of adaptive selling a sales person engages in are positively correlated. If a sales person orients to her customer, she will be able to adapt her arguments quickly and efficiently to specific and even unexpected behaviours of customers, and ultimately she will be more likely to achieve her objectives. Even though such a positive relationship between a sales person's customer orientation and her ability to practise adaptive selling appears obvious, Keillor, Parker and Pettijohn (2000, p. 17) maintain that "adapting the actual sales process increases ambiguity in the buyer-seller interaction thereby reducing the buyer's comfort level and, subsequently, the likelihood of closing the sale". They do not recognise that adaptive selling and customer orientation, rather than being conflicting sales behaviours, are based on the same principles, namely being attentive to and knowledgeable of a client's service expectations and ways of operating. Both constructs do however vary in scope and

perspective; while adaptive selling is focussed on situational factors and aimed at achieving short-term objectives, customer orientation defined as attending to a client's way of operating goes beyond such contingency approaches in the actual sales interaction. By experiencing the client in a number of interactions over a period of time, the sales person not only can anticipate more accurately what type of information the client expects from a sales presentation; she will also know how to best co-operate with him in the long run. Details such as the best time to call him, the contact intensity he requires, the best moment to approach him for a sale or the amount of social interaction he desires can be decisive for the short-term as well as long-term success of the sales relationship. The more a sales person recognises such operational expectations of a customer, the better she can adapt her interaction style to the client's way of working, as the following verbatim illustrates:

He is very open to the idea of working with an agency because he doesn't have enough communication skills to further his own product line which he sees as important to his own survival in the company obviously. However, he does not pander to the amount of paperwork that an agency can do to clients and looking after when he wants to be looked after; he isn't into agendas for meetings and he doesn't want contact reports. He wants to deal on a one-to-one basis with someone who can help him do his job. And he is very into the face-to-face contact and 'only phone me when you have something to ask me and when I have something to ask you I know where you are.' When I joined the company, I had the feeling that he was testing me as a person rather than testing my knowledge of the service that I am trying to sell as part of the agency, which was nice, challenging but very, very nice.

Advertising

The literature on customer orientation emphasises that the 'cost' associated with practising such a behaviour in terms of increased information processing has to outweigh the benefits – the increased probability of making a sale – if it is to be effective. Categorized knowledge of selling situations and customers is deemed critical for cognitive efficiency in adaptation efforts (Weitz, Sujan and Sujan 1986). The interviews carried out confirm that such categorisation of customer types may assist the sales person in his adoption of operational strategies at a very fundamental level:

Q: Have you developed over time strategies to deal with different kinds of individuals?

A: Yes, you would have. You just don't get into a row with the aggressive type, you leave it to another day and put it off. With a guy who is big into information you just make sure that you have as much information as possible for him. Yes, you would adopt strategies and you would know going in what to expect and how to handle it. And sort of getting, you would know how to get out of a situation. You see it coming and you know what to do. Generally. Given the day you have to call the shots. You can't predict everything that is going to come up in a meeting but you have a reasonably good idea going in. But as to how to actually form those strategies, I don't know if there is such a thing really in any particular situation. You read a lot and get recommended a lot, but most is really coming down to common sense and intuition.

Dairy products

This verbatim however also indicates that most respondents believe that the ability to 'call the shots on the day' is much more decisive than general classifications, even if the latter can be helpful in preparing for a client encounter. Knowing 'when to work things', as one sales rep put it, is seemingly something that has to be determined in a particular situation and for any particular client individually. On a sales visit with a confectionery sales representative who tried to sell two new confectionery lines into the shops, the author of this thesis witnessed a scene that illustrated this ability to improvise on the basis of prior customer knowledge nicely:

A., the confectionery sales rep, called into a little corner shop with very limited shelf space and even more limited storage space at the back of the shop. Before going into the call, A. warned me that this customer was one of the more difficult ones he had. We then went in and after introducing me A. started off some small talk and eventually got out his order book for this customer. Half way through the order taking, he stopped, got the two new products out and began his sales 'presentation'. Even though the customer did not seem to be overly interested, A. talked about the market segment the products are addressing, the competition, the positioning – and then, all of a sudden, stopped right in his tracks, took up his order list again and finished taking the orders without mentioning the new products again. Coming out from the call I asked A. why he hadn't pushed the products further, and his response was: "There is a certain expression on V.'s face, and this is the point where you have to back off, otherwise he gets narky and you can lose out on the rest of the order. You just know with him how far you can push him and when to stop."

Field notes, Confectionery

Some interviewees seem to be aware that such level of understanding of a customer's way of functioning requires a certain psychological investment on the part of the sales

person; in the long run, however, it is considered necessary to build a successful relationship with the client:

I think everyone can develop a feel for the customer. But it is how much you are willing to invest in developing that a little bit better and then coming to terms with it. The lady I spoke about before, who wants to get involved in everything. I developed that feeling and I could have ignored it, and I would still be pissing her off today by doing things that she can't stand. But I wouldn't be happy because she would be roaring at me every few minutes, and she wouldn't be happy, so there is no point in doing that.

Advertising

In summary, attending to a client's way of operating is not only essential for short-term objectives such as influencing the customers by practising adaptive selling. More importantly, it helps in the long term to build up a successful working relationship with a client who knows that his needs and requirements are recognised and heeded to by his counterpart in the supplying company. Not only is this likely to increase customer satisfaction, but it also introduces barriers to switch as clients will view the costs of teaching another sales person what the existing supplier already knows as prohibitive (Jackson 1994). It seems that in order to orient to the customer in such a holistic manner, the sales person needs to invest a considerable amount of cognitive effort in the client and attend in detail to his specific personality and requirements rather than rely on cognitive shortcuts such as pre-defined categories.

7.6 The benefits of knowing the customer

Weitz and Bradford (1999) suggested recently that with the shift from the 'marketing era' to the 'partnering era' over the last decade the role of the sales person has evolved from practising adaptive selling for short-term goals to building customer relationships for the long term benefit of both parties. This transition is evident in the way the interviewed sales representatives talk about what they know about their clients and what they do with what they know. If asked how they would describe a client of their choice, most sales people start to talk about a number of client characteristics such as their

personality, hobbies, family status, anecdotal evidence, position in their organisation or way of operating. These descriptions are mainly cast in terms of the sales person *relating* to the person in question and *using* the knowledge within the relationship rather than in terms of abstract customer categories. On a basic level, recognising a client's individual characteristics allows the sales person to work within the parameters of these. She can tailor her customer service, sales arguments and product offerings to the buyer's specific needs and wants and thus truly practice what traditionally has been called 'customer orientation'. More importantly, knowing a client on an individual basis allows her to 'take the role of the other' (Mead 1934). Taking the perspective of the other promotes closeness and understanding in a relationship and allows for the development of trust and emotional ties, as the following excerpt shows:

Q: And how do sales people use this kind of customer knowledge?

A: And the way they use it, there's probably two or three key ways that they would use it and it is all down to forging a relationship, because at the end of the day even the biggest industrial purchases have a strong emotional element in the decision that happens right at the end. And the emotional part is a judgement that people make 'can I believe what that person is saying to me when they make claims for their product and when they say that their product will satisfy needs that I have articulated - can I believe them? And that all comes down to trust, what you're really saying is: do I trust this person? And how do you trust this person is built up over a period of time, it's just a feeling, a sixth sense that people develop and they develop it by seeing as well rounded a picture of the person they are dealing with as they possibly can. [...] Those softer bits of information about the customers are allowing them to develop and forge stronger and deeper relationships and what they're after, whether they are conscious of it or not, but it's intuitively known, it's getting to the point where the person can say: I trust what Susi is saying to me and I don't have to go through the laborious process of having her to substantiate every claim she makes with testimonials from other companies.

Telecommunication

The more 'rounded a picture' the interacting parties have of each other, the more they can gauge the other's definition of self, of their counterpart and of the situation they are engaged in. The more they are able to anticipate the other's situational definitions, the more they can try to influence these for the advantage of both participants:

Q: So are you saying that knowledge is power?

A: Oh yes, no doubt about that, oh yeah. I think me knowing now what I know

about him, that makes me quite strong in terms of negotiating, how I would negotiate with him. Yes, very much so. [Pause] But knowledge can also be powerful. By that I mean that if I know the guy well, if I know a lot about the guy, it can bring it together as well, and it can be powerful in that respect in terms of the partnership it can create.

Machinery

A decade ago, the common thinking was that 'adaptive selling' and 'customer orientation' based on knowing a client's way of functioning were useful devices to exert a higher level of influence on the customer and thus to increase sales profit. The literature on partnering relationships now identifies what sales people on the ground seem to know intuitively: that ultimately knowledge of the other is only useful if it allows furthering and deepening of the relationship with this other. The ultimate piece of knowledge a sales person thus needs is one that is an aggregate of the other types of customer knowledge: it is to know where the personal and professional 'win' for a particular customer lies and to know how to achieve this win in a manner that satisfies the sales person's own objectives as well. Thus, a true partnering relationship is based on much more than 'customer orientation' as conceptualised in the literature. It is based on a holistic knowledge of the other party in a variety of circumstances and over a series of interactions; knowledge that assures the client that his needs have been understood and that the sales rep he is dealing with is truly concerned about him.

The trust and intimacy that such a holistic knowledge of the other engenders however do not always guarantee maximum benefit for both parties. Some interviewees remarked that if a sales person always follows up on what the client likes to hear and on his lines of thinking, the relationship may lack the freshness and objectivity that a productive buyer-seller interaction needs and that the sales person is supposed to provide with her input. Getting to know a client too intimately may also lead to complacency and a reduction of the efforts that a sales person puts into listening to her clients or preparing for presentations. In a channel relationship, the sole concentration

on the expectations and requirements of the direct channel partner might also cloud the view of the ultimate customer. As a consequence, sales people have to bear in mind that knowledge of customer particulars has to be useful for both parties and has to be put to use in order to renew it – in a very literal sense, customer knowledge has to be actionable knowledge:

The most important thing is how you use it. In other words: that you obviously keep contact with the customer, and that you use it to develop their business and in return your business will grow with it, and that's quite important. It's how you use it and how you keep it and what you do with it.

Pharmaceutical

7.7 Getting to know You: How sales people develop their customer knowledge

7.7.1 Knowledge development as part of the human interaction

It has been mentioned above that a customer frequently divulges personal details to a seller if he is comfortable in the relationship with this person and implicitly expects the seller to safeguard this information as part of the relationship 'contract'. Thus, the deepening of customer knowledge and the development of the customer relationship are often intrinsically interrelated. Indeed, most respondents state that once a certain level of trust is established in the relationship, they learn details about their clients as part of the normal human interaction. In a trustful climate, knowledge of the other often builds up serendipitously, without any of the parties actively promoting its disclosure:

If you deal with somebody lots over time, well then they will find out about my wife and kids or whatever and I will find out about what interests they have maybe. Maybe not. It tends to happen though that you get to talk to people and you explain your own background to them and you find out about their background. It just happens, it is just human nature that you want to talk about things that interest you, not that work doesn't interest you to a certain degree, but it's not the be all and end all.

Financial services

Knowledge on how the other functions and what interests him is often developed through a process of trial and error. Interviewees often relate negative cases to illustrate how they got to know certain particulars about their customers. It seems that 'learning by doing' and particularly by making mistakes and avoiding them in the future accounts for a large part of a sales person's customer knowledge:

And I can't quite express to you how it is that you accumulate all that body of knowledge that then comes out when you are dealing with these people. But I suppose it's by elimination, that over the years I have learned by my own mistakes and by the mistakes of others that there are certain dos and don'ts in dealing with these people.

Building material

If information on the client is learned 'as you go along', that is as part of the human interaction between client and sales person, a certain amount of reciprocity appears

necessary. The importance of mutual disclosure has been acknowledged very early on in the relationship selling literature (Dwyer, Schurr and Oh 1987); although Macintosh et al. (1992) report that high performance sales people preferred to find out information about the prospect before reciprocating with information about themselves. Judging from the interviews carried out, it appears that in long-term relationships, mutual intimate disclosure is indeed a prerequisite for relationship expansion:

And sometimes if you want to get to know people you have to tell them things. People actually like to listen to what you have to say, where you are living, what your own company is like to work in or what your previous company was like to work in, that you know suchandsuch who works in the industry and what's he like, and all these things go along the way of actually forming a relationship and some kind of knowledge about your customer.

Measuring instruments

Mutual disclosure creates a sense of trust and intimacy between the parties. Once a trusting relationship is achieved, it may allow for further disclosure of information by the client on his own needs, on company politics or plans, or even on other people in the client company. Through mutual knowledge of personal details, the client and sales person create a sphere of privacy that might even transcend loyalties to their respective companies. Through mutual knowledge, they also put themselves in a situation where they can perceive the other person as an individual in her own rights. Constraints that are put on the interaction through the existence of (often narrowly defined) social roles prescribing certain behaviours can be transcended and genuine attachment to the other formed.¹⁷

¹⁷ See McCall (1970) for a comparison of 'role relationships' that are based on predefined social roles and 'social relationships', where both actors have personal knowledge of one another.

7.7.2 *Knowledge development in a directed approach*

In addition to the serendipitous development of knowledge of the other as a matter of course, some sales people actively pursue the detection of personal details of the client. Often, experiencing a client's environment can convey a huge amount of information on his interests, his family status or his personality. Some of the respondents prompt themselves to scan a client's office or workplace for pictures of family on the desk, trophies on the wall or other 'telltale signs' such as the degree of orderliness of a client's office in order to learn about his personality and life style. However, information gathered covertly (and more than likely not reciprocated) has to be used judiciously if it is not to be considered an intrusion in the client's private affairs. Exterior signs can also be misleading if buyers attempt to portray a business persona on the surface that they would abandon in a more intimate relationship.

A more direct strategy of gathering information about the customer is to simply ask him for it. Such probing can happen in an almost instinctive way:

Q: How exactly do you find that out?

A: You'll know by speaking with him. After the meeting is over you might ask him does he play golf or did he watch the match last Saturday, and you judge by reaction. Somewhere in the next few weeks he'll ring you up and wants you to help him with some aspects of his business and you'll know by the way he – I suppose unconsciously at times you sometimes ask questions that will lead you down that path to see is he interested in anything or do you have anything in common. You read it automatically really in the person.

Dairy products

However, for matters that are crucial to the business development, the questioning can take on a more strategic guise:

Q: You just said that you have to get to know which buttons to press. How would you go about finding that out?

A: Yeah, that's difficult. I suppose the obvious one is to ask questions. If you know the right questions to ask then you will get the right answers. That would be one way, but another way would be to observe his reactions to certain things, observe his reaction to certain stories. For example, I spent a couple of years in Germany selling for an Irish company. And German buyers of equipment like this love to hear stories. Tell them stories about how your particular machine, another customer

with a similar situation how he did something, how something went wrong for them and observe their reaction to it, just a simple thing, “oh I was with a customer who did exactly that and the machine broke down and the engine blew up.” And another customer would say: “What the engine blew up? God, if that happened to me I would never buy that thing again. The engine shouldn’t blow up like this at this day in age.” Another customer would turn around and say: “For God’s sake, this engine was bound to blow up the way he used it.” So if he said: “God, that should never happen”, you turn round and say: “Well, it didn’t happen to my machine.” [...] But there’s some very smart people out there and they know what you are trying to do. But how can you have a friendly relationship with somebody and try that sort of thing? It’s not possible, is it? Somewhere along the line there’s a battle line drawn.

Machinery

This ‘battle line’ may indicate the difference between a relationship that is based on trust and intimacy and in which information is divulged openly, and one where both parties try to gain an advantage over the other and to spy each other out. It probably depends on contextual variables such as the nature of the industry, the competition and the buyer power which scenario is more likely to be realised in any given situation; most respondents however agree that the former is the more desirable one.

Another route for gathering information about a client is to consult outside sources. Two major sources of outside information on customers were mentioned in the interviews: other members of the sales team and members of a sales person’s network at large. In a sales organisation, sales reps are frequently prompted by their sales managers or by their colleagues on particular clients before they go into a new account:

When I started off the boss took me around and introduced me to the customers. I suppose you would always tell [somebody new] how the person likes to do business, what they expect, give him as much insight in the account as possible, how they judge, what’s important to them, the terms and conditions that exist in the account, explain them to him, what are the opportunities that you see coming over the next 6 to 12 months, what business you might be in danger of losing with them, you would pass on nearly everything that is relevant, also what the guy is into, what he likes, what their interests are. All of the business-related stuff - if there are products being developed for that customer, any controversial issues in the account, you would pass it on all informally.

Dairy products

Chapter 11.1 will review the mechanics of such internal passing-on of information and other team issues in relation to customer knowledge. It is remarkable that such

information sharing happens mostly on an informal basis and most frequently when an account is handed over from one sales person to another.

Even if information on a new account or prospective client is not available within the sales team, information may still be gathered from the larger network surrounding the individual sales person:

Because Ireland is such a small country, somewhere along the line somebody has bumped into these people before. And if you are going out to meet a financial controller, there could be an accountant in here that would know him, went to school with him, trained with him, knows him from a company where he worked. On the retail side of the house there could be somebody that would know the Managing Director that you are going to because they worked in different companies. Very often you would know something about the company. They must be brand-new to Ireland and coming in with a lot of American top-wrass and you would know nothing about them. You'd look at the name and you would say: Oh, he's Italian or he's Swiss or something but you really wouldn't know what makes these people tick. That's where you go to your broker and your broker says: Oh actually I have met with this guy and he is a really positive, go-forward man and he'd make a decision like that! Or he'll tell you they tend to drag their feet and trying to get something off them is slow. So you learn this kind of thing from your broker.

Financial services

It is interesting to note that only one of the interviewed sales professionals mentioned that she consulted impersonal sources of information on the client such as newspaper clips in the pre-call phase. All other sources mentioned were personal sources, either other company employees or outside informants. This inclination to consult people in order to learn about other people is consistent with Leigh and McGraw's (1989) findings and hints at the informational richness of personal sources required to develop a preliminary understanding of other people.

Some respondents believe that pre-call research on a new client is an essential weapon in their sales armoury if they want to approach a sales call in a prepared and confident manner. However, as soon as they get to know the client personally, their own experience of the client seems to take over and previously obtained outside information

fades into the background. It appears that in some cases outside information can even be detrimental for the initial relationship development:

Q: And when the girl described you the personalities, did that help?

A: It did and it didn't. Because the chief lady, the marketing manager of the company in question, is a very tough lady, and she made me quite aware of that, in a way it was worse because when I met that lady for the first time I was very very nervous of her. My first exposure to her - even though it was only second-hand - was quite negative, and I often wonder if I hadn't been warned about her would I have just wandered in and been myself?

Advertising

Q: How did you learn about all this?

A: Nobody, the person I took over from [...] tried to play a role in me taking on the business and showing me what to do, but that went so far with me, it went to a stage where I didn't appreciate it anymore, I like to get to know people from my own perspective, cause at the end of the day you can talk to somebody and have the exact same conversation with them and go away thinking completely different things to me.

Machinery

7.7.3 *Knowledge development as individual, contextual and dynamic*

This last remark points to one of the most central characteristics of sales people's customer knowledge: the intrinsically individual nature of such knowledge. As this respondent observes, no two individuals will ever form the exact same impression about a particular customer, because any one individual creates different interactive dynamics with the person, which in turn will uncover different characteristics. Thus, getting to know a client is something that many sales people intuitively consider a task that nobody can do in their place. It seems that only when an individual sits down with another individual and 'feels them out', as one respondent said, can people really get to *know* each other as opposed to possessing *information* about each other. The difference between information acquired from outside sources and knowledge developed by the individual in her interactions with a client corresponds to Davenport and Prusak's (1998) distinction between information and knowledge in an organisational context. What will be called hereafter customer *information*, emanating from outside sources, is informative and useful, but detached from individual experience and the unique

fingerprint of the relationship in which it was developed. Customer *knowledge*, on the other hand, incorporates framed experience; it is contextual and intrinsically individual. Each sales person creates her own relationship dynamics with a buyer, and knowledge that comes forth from this relationship is as individual as the relationship that generates it:

Now in truth, what makes them really successful is partly the information they have, partly the way they use it. If you did get all that very special information a sales person has and gave it to another sales person, there is no guarantee that they'd be equally successful. Because the behavioural dynamics, the sales person interacting with the customer or the client, that's that indefinable thing that would make one relationship work and another one fail.

Telecommunication

If customer knowledge is generated in the individual relationship between buyer and seller and if it resides in this relationship, ramifications for issues of information sharing in sales teams and of the use of electronic tools to store such knowledge are likely to be significant and will be discussed in chapter 11.

If customer knowledge develops in and through the buyer-seller relationship it is also, just as the relationship itself, never static. Just as in love relationships, there does not seem to be a point where a sales person can lean back on his 'knowledge base' and work from it. Knowledge of the other is ever developing and built up over time:

Q: So you are still developing your relationships with them?

A: Yes, very much so. [...] One of the clients – A. - was in here recently and I learned that he didn't like lettuce in his sandwiches, so you are picking up things constantly. Anecdotal like that or otherwise. You are always picking up things about new people. I think nobody is the same for more than one day in a row. And I hope to keep learning and to keep developing these relationships, that's why I am here.

Advertising

And because individuals do not stay the same, knowledge of the customer is also as dynamic and changeable as the client in front of a sales person:

The basic information - how do write that down? Because I am in a certain mood today, I might be in a different mood tomorrow. The same with buyers as well, you can't really read them. You don't know going in. You have a measure with them, how to be a certain way with them. But you really don't know until you actually go

in there. And that's why sales people have the skills, and have the attitude. That's why they are sales people. That they can go in and they can read a situation at that moment in time.

Cosmetics

Customer knowledge, in this sense, is *situational* knowledge; it is updated in the instant of the sales encounter and is determined by the course of the interaction just as much as it determines the interaction itself. The situational aspect of customer knowledge implies that no sales person can ever be complacent about the knowledge base they have built up on their customers. They need to always be aware of changes in circumstances, moods, personalities, the organisational environment and how these affect their interaction with a client. And just as in real life, if they think they eventually have the other person worked out, he or she may terminate the relationship and the process starts all over again with a new knowledge 'target':

And what's interesting about selling, it's finding, starting and finding out, it's a real challenge, and that's what's good about it. Cause you could call into a pharmacist for years and years and suddenly the buyer has changed, and you're back at square one, you really are back at square one. But that in a sense is good when you have to work to find your way around it. It's that what makes it exciting as opposed to I know exactly how the person ticks when I go through the motions. It's more of a challenge.

Cosmetics

7.8 Summing up customer knowledge

This chapter has shown that sales people hold a sizeable stock of knowledge about their customers. Such knowledge comprises the personality of a customer, his mode of functioning in his job, his position in the company and relationship to other players, his expectations of a sales representative and a plethora of anecdotal information that accumulates in the course of a relationship between two individuals. The magnitude as well as the variety and variation of a sales person's customer knowledge indicate that it is near impossible to classify longstanding clients into clear-cut customer categories, as the schema-theoretical literature suggests. For the sales person who knows her

customers inside out, no one client is quite like another, and no one client can be treated quite like another. It is probable that in once-off sales scenarios such as the retail car sales environment of Felcher's (1995) illustrative example, customer categories allow sales people to make a quick and reasonably accurate judgement on a client's needs and potential. The usefulness of such categories however diminishes drastically in long-term buyer-seller relationships. In these situations, what counts is the most comprehensive understanding possible a sales person can develop on her customer – an understanding that, as Schultz, Evans and Good (1999) recognise, has to go beyond mere categorisation heuristics and encompass all the 'cultural nuances' and unique qualities of a buyer. The psychological and cognitive investment that is undoubtedly necessary for such an in-depth insight is balanced out by the economic and non-economic benefits of being able to 'take the role of the other' in the sales encounter (Prus 1989).

8 The 'In-Between': Sales people's relational knowledge

The previous section examined what sales people know about their customers and how they build up this stock of knowledge. Most of what has been said previously referred to knowledge of client *particulars*, that is knowledge of individual clients' traits, interests and ways of operating. Such knowledge, as mentioned, can be communicated to third parties without too much loss of information density – as proven by the fact that it has been communicated to the researcher for this study. As discussed, however, such knowledge of client particulars always depicts the client as experienced in the specific relationship with the individual sales person. It is the image of a person created by the dynamic between two people – it is customer knowledge as generated *through* the relationship, and thus knowledge that can often not be *used* meaningfully outside the relationship that has generated it even if it is *transmitted* in a meaningful manner.

Besides the knowledge of the other taking part in the relationship, or customer knowledge *per se*, sales people hold another stock of knowledge that is generated within their client interactions: knowledge of the nature and meaning of the relationship itself. Such knowledge of the 'In-Between', as will be seen, is built up over years of being in contact with clients and through many different relationship experiences. To some extent it thus transcends the individual case, even though it is still acquired in the course of the individual interaction. Interestingly, sales people seem to classify the relationships with their clients more readily than they would classify clients themselves. Customer knowledge *per se*, as discussed previously, is mostly cast in very individual terms: sales people seem to be aware that no client is quite like another. However, the way a relationship to a client develops or the basis of such a relationship may be comparable from one client to another. Even the relationship experiences of individual

sales people across different types of industries can be surprisingly similar; differences due to market or product characteristics appear to be more differences of degree than differences of kind.

This chapter will present what salespeople know about their relationships with their customers and how such relational knowledge influences their mode of operating. It will also point out why sales people engage in relationship building and where the limitations of having close client relationships in a business context are.

8.1 The nature of the buyer-seller relationship

The focus of this study is the personal interaction between a sales person and her client in a business-to-business context. This constellation has two characteristics that set it apart from other business interactions: it usually involves repeat interaction and a personal contact between buyer and seller. Thus, the buyer-seller relations studied here are what Macneil (1980, p. 13) calls 'primary relations': they are unlimited in scope, unique and non-transferable; they involve informal as well as formal communication and economic as well as social exchange. This chapter will examine the features of such relationships and their differences to relationships outside the sales context.

8.1.1 We're in it for the long haul

All of the sales professionals interviewed have an acute sense that they build their client relationships with a view to the future. Business relationships – just as other personal relationships – are not developed over night; it takes a certain amount of time and contact intensity to create a sense of trust and intimacy in a relationship. Adopting a long-term view of the relationship involves a significant psychological and time investment on the part of the sales person as well as on the part of the customer. Such an investment is only justifiable if the expected relationship benefits (which will be

discussed later in the section) outweigh the relational investment for both parties in the long run:

The nature of the business that we provide, we provide advice to corporates, and that necessitates a long-term relationship. You don't just come, sell a pension scheme and go off again. You have to work with them continuously throughout the year so you need somebody who is going to work at the business, whereas the nature of some brokerages who sell to individuals would be to make a sale and move on to the next sale. And their relationship is finished more or less. That's probably not 100 per cent true but it is quite reflective for the difference between individual and corporate relationships. So we would know that not everybody is able to survive successfully in the corporate relationships market, either they don't have the expertise or they just see it as too time-consuming and too much hassle. And it's not worth their while building up a relationship with a company, because it's a high risk business, somebody could turn around and use somebody else if your relationship is not strong enough.

Financial Services

Because relationship building involves such a considerable effort on the part of the sales person, some respondents remarked that they would only endeavour to build up a personal relationship if they were confident that the buyer in question would be a player in the market for a certain length of time. For instance, sales persons selling into retail outlets seem to distinguish their interactions with managers of the large supermarket chains from their relationships with smaller family-owned outlets with regard to the anticipated longevity of the relationship. In the case of family-owned businesses as well as in some of the smaller industries, sellers know that they will be in contact with certain individuals for years or even decades to come and that the relational investment will be compensated for by the lifetime value of the relationship. It is noticeable that the longer a client relationship lasts, the more sellers sense a certain level of personal responsibility for the individual client, as the following excerpt indicates:

Q: Are you involved with the customers yourself?

A: Yes. Although I manage the division, I am also involved in direct sales. It is historical, I still have business that I can't give to anybody else to manage, so I go and get involved in demonstrations directly myself. And I would do most of the quotations, if individual reps do it I would check the pricing etc.

Q: Historically?

A: If you look at * as a company, it is nine years old now. I was at the original conception of the company. These customer would be customers that we would have dealt with all over those years. And even people at the beginning of * would

sometimes have dealt with these customers in their previous companies. So yes, historically.

Pharmaceutical wholesale

This excerpt demonstrates that the longer a sales person-client relationships lasts, the more attached the client becomes to the particular sales person and the more difficult it gets to pass the relationship on to a third person – an observation that is confirmed in Karantinou and Hogg's (2001) study of relationship marketing in professional services. Long-term relationships between two individuals become intrinsically connected to these individuals; the fact that there is 'an' organisation behind the individuals is sometimes almost forgotten. Client-sales person relationships, from this perspective, have an inherently interpersonal nature: they are relationships between *people* before they are relationships between *organisations*. To substitute people within this relationship is almost impossible - as one of the respondents said, 'the relationship that you build up with somebody is so unique, you can't expect somebody to go in and replicate that same thing'. Thus, the personal business-to-business relationship is characterised not only by the fact that both parties project the interaction into the future, but that both parties project the interaction into the future *with the same person* they have a relationship with at present.

In accordance with this individual nature of the relationship, if asked whether they conceive of their 'clients' or 'accounts' as companies or as individuals, all respondents claimed that although both levels were inseparable, the personal level was their first consideration:

The company for want of a better word is a very nameless description of what is essentially a human transaction between two people.

Advertising

Correspondingly, many interviewees see it as one of their main roles to be the incarnation of their own company in the eyes of the client:

[Talking about the introduction of a new product] And again a lot of people have been very supportive of us. Again I would put it back down to the relationship that the rep has built and for the long time. So the company and the brands - yeah I suppose there is something of a link there, but again I would put it down to the relationship that was built by the rep for the company. He IS the company. When he walks in, he IS *. And in return they support him through the brands. So they ARE supporting the brands.

Brewery

Thus, the client-sales person relationship obtains its very strength and effectiveness through the fact that it is inseparable from the individuals who form the relationship. A continuation of the relationship on an organisational level but with substituted individuals will not necessarily be perceived as a continuation in the eyes of the relationship participants:

Because often [...] the change of the sales person triggers the thought in the customer's mind: 'oh, a change, suddenly I have to face dealing with someone new, someone different, so why don't I deal with someone new, someone different from a different company?' So it's a very vulnerable time from the company's point of view, sometimes. Depending on how crucial that personal relationship was, how important that level of trust was. It makes the company's business much more vulnerable. I might as well deal with someone new. And all the other companies that come knocking at my door, maybe I should give one of them a chance or an opportunity. Because now they're all on the same level.

Telecommunication

This quote demonstrates that what is *personal* about 'personal' relationships in sales is that they are connected to a certain individual with whom the other projects exchange into the future. If this exchange discontinues on the individual level, the supplier organisation often finds its competitive advantage nullified. A sales rep's personal bond with her clients can in this regard even represent an emotional block to future relationships with other members of the selling organisation. This quite obviously has serious ramifications for the management of handovers in the seller organisation, which will be discussed in chapter 11.3.

8.1.2 Personal and not-so personal relationships

As mentioned, the word 'personal' in business-to-business relationships refers to the fact that the parties maintain a relationship at the individual as well as and even ahead of the organisational level. This term does not necessarily imply however that the relationship between client and seller is also 'personal' in the sense that it involves a high level of intimacy. This issue of just how personal 'personal' relationships between the client and the sales person are or should be is one where the opinions of interviewees greatly diverge. There is no doubt that all sales relationships are set within the strategic parameters of economic exchange. Even the most 'intimate' relationship between sales professional and buyer is still characterised by the fact that both parties ultimately have to deliver results to their respective companies. Within these economic parameters however, personal facets can enter the interaction to a greater or lesser extent. Judging from the respondents' accounts, three different relationship types can be distinguished with regard to the extent that the business or the personal dimension prevails, namely the 'business only' relationship, the 'cultivated' relationship and the 'genuine' relationship. These relationship types will now be discussed in sequence.

8.1.2.1 The 'business only' relationship

At one end of the spectrum, some respondents maintain that 'business is best' in a relationship to a buyer:

Q: You just said you have a social relationship with P. [a client]. Would you consider him your friend, would you go as far?

A: No, I wouldn't. I don't consider it a great advantage to be too friendly with the people you are selling to. I don't think that it means they'll buy anything more off you. Looking at it from a pure business perspective I don't think it means that they'll buy anything more off you or anything extra off you because they are friendly with you. I think one way or the other somewhere along the line they are your opponent in the sense that you want as much money off them as possible, or you want as much from them as you can with giving as little as possible and they want to give you as little as they can and get as much from you as they can. That's the whole basis of a buyer-seller relationship. And friendship, when I say I have a

social friendship with him, I don't consider that as a close friendship.

Q: Do you have buyers who would be your friends?

A: Not particularly. Not that I consider, and I don't think they consider me as a friend. If I was buying something from somebody, I would buy something from a friend but I probably would think that I didn't get the best deal.

Q: Why is that?

A: Because I'd always think that, for me as a buyer, and I don't have any experience as a buyer, but I would think that it is practically impossible to get the best deal off somebody who is your best friend. Just the same as if you are buying something off your family you are never going to get the best deal because you are never going to be tough with them, are you? You can't really be tough with them.

Machinery

As this excerpt shows, the main argument against a client relationship that goes beyond a focus on business is the fear that one or both sides may be compromised by the friendly nature of the interaction. The respondent quoted above is afraid that he may lose the ability to negotiate the best deal for his own organisation, that being friendly with clients may mean that he would not be able to 'play hardball' with them. He believes that ultimately both parties have to adopt an adversarial stance in order to achieve the best results for their own company. For him and for the other interviewees who maintain 'business only' relationships with their clients, adversity is the only path that leads to long-term profit. In these interviewees' opinion, it is more important to preserve an ability to stand up to a client than to take advantage of the various functions that close buyer-seller relationships can have, even though they may be recognised. These respondents do not seek personal enjoyment in their client interactions and they do not perceive a close relationship representing an important competitive advantage in their specific markets. Often, they work in industry sectors where margins are tight, buyer power is substantial and competition is played out mainly on price levels. One respondent selling grocery products into large retail chains points out how important a sole focus on business issues is in such a sector:

You have to be sharp in sales. It is not like the old days where you go in and tell jokes, it's all about margins, it's all about negotiations, and you can cost the business a lot of money if you are not on top of yourself.

Grocery

According to this respondent, being 'on top of oneself' in a negotiation situation can only be achieved if interpersonal issues do not enter the interaction. Any move by one player that indicates the human element behind the business could be interpreted as a negotiation weakness by the other player and exploited in the situation. Too much emphasis on a friendly level of interaction could also be perceived as unprofessional and damage a seller's credibility beyond the current transaction.

Respondents who favour a business-only relationship do not only fear that their own negotiation stance may be jeopardised, but they are also concerned that familiarity may breed contempt in their own minds. They fear that if they feel 'home and dry' with a client, as one respondent put it, their service level may slack or they may be tempted to take advantage of the trusting client by selling him offers that suit their own interests more than the buyer's. Again, these fears illustrate that, out of choice or out of necessity, adversity is perceived to rule the sales interaction in a 'business only' relationship. It is the classical non-cooperative scenario of game theory where both players choose not to be bound by social commitments and where they pursue one specific individual goal – profit - to the exclusion of all the others (Blau 1964).

However, even interviewees who pursue a 'business only' approach in their client interactions admit that they exchange personal details with their clients and that they socialise together. Some of them take their clients to destinations abroad and inevitably spend a considerable amount of time in their company. Others work in industries where social events with clients are a part of the sales person's daily work, which again encourages a level of interaction beyond a pure business focus. Thus, even if the focus remains on the business side of the relationship, certain personal aspects will enter most 'business only' relationships sooner or later:

Everyone is human at the end of the day, so they will discuss things that have nothing to do with work after a period of time and they'll know where you are coming from, family and that, that comes into the relationship after a period of time. Because everyone recognises that they are doing their job, and it's not all about business at the end of the day. There is life outside as well. And generally people once you get to know them are fairly acceptable for that level.

Dairy Products

The fact that such elements will naturally enter most relationships at some stage begs the question of how to 'control' the personal – and thus often emotional - dimension in a 'business only' relationship. This issue will be discussed further below.

8.1.2.2 *The 'cultivated' relationship*

A 'cultivated' relationship is one in which both the personal *and* business dimensions are nurtured by the participants.¹⁸ Aware of the gains that a co-operative buyer-seller relationship can bring to the parties, many respondents try to develop a friendly relationship with their buyers while at the same time ensuring that they can 'stand up for themselves' if the interaction becomes confrontational. Personal elements enter this kind of relationship mainly for tactical reasons to promote trust and to expedite the business interaction. Even if a certain level of intimacy is present, both parties are aware that the relationship is embedded in a strategic context, and they pursue their own agendas at all times. The following excerpt is a prime example of how sales people perceive such 'cultivated' interactions:

Q: So there has to be a benefit out of the relationship?

A: Absolutely. I don't expect a benefit, I am meeting a pal of mine to go and watch the match this afternoon who is a salesman also, I don't have a benefit in meeting him but he is a friend of mine and I meet him. I don't try to sell him anything. Last Saturday, I was with H. whom I just mentioned. I spent the day with him, he was with two customers, I had lunch with him, we went to watch the Ireland-Italy game in the pub, we had a lot of drink, we had burgers that night, we went to the pub and

¹⁸ The term 'cultivated relationship' is borrowed from Bigus (1972). In his study of 'The Milkman and his Customer', Bigus defines cultivating as 'the courting and wooing activities engaged in by servicers in relations with those whom they service' (p. 131).

had a very, very long day and I got a taxi home. I wouldn't necessarily say I enjoyed myself quite terribly. It was a bit of fun, I sold him two machines, it enhanced our social relationship, we are still very friendly, but it got kind of tedious toward the end. Because there's only so much time you can spend with someone who doesn't know you that intimately without it getting tedious.

Machinery

Sales people know that they have to get on with certain clients even though they may not otherwise choose them as their personal friends. They go through the motions of establishing a social relationship but are unlikely to bare their innermost feelings to their counterpart. Even if clients are treated as if they were 'real' friends, the commercial context ensures that a certain distance is kept at all times. Keeping such a twin track by maintaining an independent business stance while at the same time befriending the client is 'a very thin line' to negotiate, as many sales professionals acknowledge:

It's almost like I know that customer so well, they invited me to their Christmas party, I can't really push them. And I sometimes would have compromised and said: oh if you don't need it that's fine, that's grand, see you tomorrow night. Whereas you need to be smart about it in a sense. I've learned to say: ok you get to know people, the relationship building is so important, but to feel confident then to use this relationship, in a constructive way, so that it is beneficial for both parties, and that's not an easy thing to do. A very thin line. [...] What I did before, I tried to correct it, I tried to compromise in a sense. To avoid them saying no, I'd say: if you don't want a dozen, just take the six, that's grand. That still left me feel good, they still liked me. But that was a bad thing. I got along with the customers really well, but the sales were going down. And when I got along with them ok, the sales went up. So it's a balance between the two. So it's fine to have a good relationship, but also let's get on, we are here to do business!

Cosmetics

Thus, a cultivated relationship is designed to be 'used in a constructive way', as one of the interviewees admitted. It enables the parties to open up channels of communication that are closed in a 'business only' relationship. Mutual knowledge of the other person through social interaction allows for the establishment of trust and commitment (see chapter 8.2), which in turn serves as a buffer against competition. The personal dimension of the relationship also represents a neutral level of interaction to which the players can retreat if the business dimension is temporarily unstable. Thus, the cultivated relationship takes advantage of the benefits of a personal relationship while at

the same time affording enough space for the participants to fight their own (commercial) corners. If the players succeed in keeping a balance between the interpersonal and the economic focus, it can represent the ideal scenario for a sales relationship that is highly profitable and at the same time more enjoyable than an adversarial relationship.

8.1.2.3 *The 'genuine' relationship*

In contrast with some of the respondents cited earlier who either think that 'business is best' or who endeavour to strike a balance between the social and the business dimensions, a number of interviewees claim that they entertain 'genuine' friendships with some of their clients. These respondents do not consider this level of interaction with a buyer as a threat to the business; they believe on the contrary that the business can only benefit from such a friendship:

So we become friends and I find it easier that you can actually raise the subject. When you are friends with somebody, you put it back: 'hold on, don't screw me, we're mates, so if you screw me I will tell you not to screw me. And if it turns out that he HAS screwed you, then maybe he is not such a friend, because friends look after each other, in business AND outside. So the bottom line is, why should he spend any less on his friend, because it's not his money, it's his company's money, so if anything he should be looking out for his friend, that's the way I would see it. [...] And what it does, it cuts a lot of the - in business, especially in our business where rates are pretty negotiable depending on how much you are spending, there is a lot of mistrust as to whether everybody else is getting more money for their advertising spots than I am getting. And I don't know. So I am never really sure: am I being screwed or am I doing well out of this? I never know exactly, the odd time you'd find out but you never really know how much the other stations get. You BYPASS that with your friend because you now trust him.

Media

According to this interviewee, if the relationship shifts from a mainly business-based relationship to a predominantly friendly relationship a different set of rules applies to the interaction: the rules of friendship. These rules imply that both parties can trust what the other party says and that both parties 'look out for each other' as much as their respective business interests allow it. This is the situation where a client-sales person

relationship directly acts as a buffer against competitors – if both parties know that they are getting a fair deal from the other, there is no need to seek out other business partners. ‘Genuine’ client relationships are characterised by the fact that the sales person has a genuine interest in the buyer as a business partner, but also in the buyer as a human being. Some sales people derive a great sense of pleasure out of striking such friendships with their business counterparts; these sellers are also the ones who are convinced that the business can only benefit from such a ‘genuine’ client-seller relationship:

Q: So even in such a technical business like pensions you still have this personal element?

A: Oh, absolutely, absolutely. People say to me you never mix business with personal when it comes down to it. But in fact if you don't, what differentiates all human beings? You HAVE to, there HAS to be something different there. Whether it's a sense of humour that you share together or a sense of lightheartedness, right down to a different kind of interest.

Financial services

Thus, while for some sales people the personal element entering a relationship means that they cannot push the other side hard enough to get the best deal, for others it means that there is no need to push because they are confident of obtaining the best deal anyway. This difference in approaches to client interactions may be due to product characteristics. If the product is tangible with a known market value, the interaction may involve a higher level of price negotiation for which it is important to be detached from personal influence. If however the product is intangible where both parties can never be sure what the exact market value is, a high level of trust may be necessary for both parties to be assured of the profitability of the deal.¹⁹

¹⁹ The influence of product characteristics on sales people's relational behaviours will be further discussed in chapter 12.2.

The 'genuine' relationship is the one where both parties accept the other into their 'inner circle of minds', as one respondent formulated it. At this level of interaction, the business relationship shares many features with outside friendships such as unqualified trust, openness, honesty and a high level of non-economic satisfaction. In this sense, this type of relationship can be called 'genuine', even though the end purpose of the relationship is still an economic one: it is genuine with regard to the process of the relational interaction. Clearly such a client-sales person relationship will never fully match an outside relationship, as the commercial agenda still represents the *raison d'être* of the relationship. As an example, many sales people believe that even if they consider their clients as 'genuine friends' they can never let go fully in their company. Other respondents mentioned that even in a social banter with a friendly client they may need to back down so as not to upset the 'friendship', which obviously casts some doubt over the question of how 'honest' that relationship really is. Ultimately, it is not very likely that the sales person will ever be able to shed her business persona fully in front of a client no matter how 'genuine' the relationship is perceived to be. In comparison to the aforementioned types, this is however the one that comes closest to resembling outside relationships.

To summarise, all one-to-one business relationships that continue over a certain length of time incorporate a certain amount of interpersonal exchange, and they are all set within the strategic context of the economic exchange. Differences between the aforementioned types of buyer-seller relationships are differences of degree rather than differences of kind. There seems to be a relational continuum with regard to the extent to which the social or economic aspects of the interaction prevails; the three ideal types discussed merely represent the two extremes and the midpoint of this continuum. Which type of relationship is most beneficial in any given interaction is highly dependent on

situational variables as well as on the personal penchants of the participants. In this context, the question of who controls the shape a relationship takes becomes crucial.

8.1.3 *Getting the balance right*

As mentioned above, it may not be easy for a sales professional to negotiate the right balance between the social and the business aspects in any given client relationship. This is a skill that sales people mainly learn through trial and error. In the interviews, most anecdotes of instances where a client relationship was jeopardised concerned sales people getting this very fragile balance wrong:

After the merger with * this guy was getting more or less edged out and K. the account manager and D. my boss would know him quite well, he was getting pushed out of the way and a new guy was coming in and gradually taking over his job role. So they made a very concerted effort to get to know this new guy very very well, but didn't tell the other guy about it and tried more or less to hide it from him that they were trying to get on without him and they invited the new guy to events and didn't invite J. And J. found out about it. And went ballistic - you are stabbing me in the back. So I think in that sense they pushed their relationship too far, they should have gone back and told him: Look, we HAVE to get on with this new guy, so we are going to invite him to this that or the other event. But they tried to hide it from him and they made a mistake there. And actually they had to admit in a meeting to him that they had made a mistake.

Financial services

The sales people in this instance did not recognise that the relationship they maintained with their client involved more than just the business side, and that the client actually perceived it as a relationship he could rely on even in times where his own business position was in some doubt. He felt betrayed by people he obviously had regarded as more than just sales reps calling in to offer him pension schemes – he had trusted these people to stick by him. In this instance, either the account managers misjudged the nature of their relationship with this particular client, or they were not aware of the consequences of engaging in non-economic exchange. Sales people have to be conscious of the fact that as soon as the interaction transcends the business realm and includes interpersonal elements, client expectations of the sales person herself and her

services may increase dramatically, as one of the 'business is best' advocates among the interviewees realised:

I am a great believer in all things have to be right, price, quality, everything, all these things have to be right. And in personal selling and customer relationships then you have to treat the customer right. You have to show him a bit of respect, he has to be satisfied, but it's something that we discussed there not so long ago with D. [the respondent's lecturer], is satisfaction, what is satisfaction? And I don't believe, if the model that D. was talking about is true then a guy that's your friend can never possibly be satisfied. Cause you have to exceed his expectations all the time. And how can you exceed his expectations all the time if you're his friend? In a complicated negotiation to exceed his expectations you have to give him something he wasn't expecting. But a lot of people think friendship is all and all. That's very theoretical and up in the air, but I prefer to keep my feet on the ground.

Machinery

Some respondents, just like this one, are explicit about the fact that they want to keep their feet firmly on the ground of the business interaction, and they endeavour to restrict the interpersonal dimension of the relationship themselves. They are aware of the potential negative effects of a close client relationship and consciously control their client interactions so that the relationship does not trespass the limits of business interaction:

Q: Would you like to see it more emphasised? The person behind the job?

A: The person isn't going to change. Our task is to create, develop and deliver good advertising, if along the way we have to better understand the individuals to better do that job, that's fine. But I'm not sure if we want to get into deeply understanding the personal situation. In some ways it can bog you down, you can lose sight, you end up not doing the other job. At the moment we could be criticised for being overly single-minded in terms of delivering advertising, but at least we're getting paid for that. We're not going to get paid for exploring the relevance of personal lives either in relation to working with us or their role within the company, and it is somewhat - not a dangerous area to get into, it is important and it has a huge impact on how we work with them every day, but there has to be a well-judged line over which you don't push too far.

Advertising

A number of respondents have a similar sense of a line between the business and the personal dimensions which they would not want to 'push too far', but they do not actively control the personal element. These interviewees believe that the balance between the two dimensions establishes itself as a matter of course due to the fact that both parties share a common understanding of the nature of the relationship:

Q: Where then do you draw the line, how do you determine where the social relationship turns into a potentially detrimental friendship?

A: It doesn't work in any particular way. It can get too friendly sometimes I suppose. I have never really been in a situation where I had a business relationship with somebody and they suddenly turned up at my door crying because their wife left them. It's never been that friendly. There's a kind of a safe distance, and I suppose it's in their interest to keep that kind of a safe distance as much as it is in mine. And I don't know where the border is, I just know that I wouldn't turn up at their door crying if I had a row with my girlfriend. That would be the analogy I would use to describe it. I don't know where the border is. I suppose it's quite simply that people realise that it's a business relationship and nothing else. I am not being macho about that, I genuinely believe that there's a safe distance, wherever it'd be. I think it probably draws the line at, I am sure psychologists have stages, and I am sure there's stages whereby you know each other's name, there's a next stage where you probably know where each other drinks or what each other drinks, and for example the next stage then is you know their wife's name and their kids' name. I probably introduce them to my family but I wouldn't expect them to remember their names next time we meet. There is a line, but I don't know where it is, it kinda forms itself through mutual understanding.

Machinery

If such a mutual understanding exists between the seller and the buyer, the nature of the relationship is unlikely to come into focus in the interaction; it will tacitly fulfil its role as a background variable at the level both participants are comfortable with. The situation is more problematic when each participant has a different understanding of how close a buyer-seller relationship should be. In many cases, a sales person is aware of the benefits that intimacy can bring and strives to push the relationship beyond business matters, but the client does not go along with this conception of a sales relationship:

I have one client for example - no matter how I try to build up a relationship with her, because she is a pretty power-hungry person she will never allow me to be the adviser for her that I could be. So this relationship will only ever flourish to a certain extent; and we have a very good relationship and we do respect one another's work all the time, but it will never be as close as it could be because of that. And I have tried and tried and now I have come to the conclusion that this is the way she wants it to work the way it is working now.

Advertising

Sometimes, the extent to which the seller can build up a relationship with the client is not determined by the individual preferences of the buyer, but rather by the company culture of the buyer's organisation. Even though most firms now seem open to the idea

that a successful working relationship involves a certain amount of personal intimacy, some companies still seem to promote a culture where purchasing agents are expected to keep a safe distance to their suppliers:

Q: [Talking about a mutually beneficial relationship between the respondent and one of his clients] Would that be different with other customers?

A: Yes it would. That sort of relationship would be more difficult to establish with * who really would see - I am surmising here - they would see themselves as being in a less powerful position if they did know you socially and that they couldn't fight with you, perhaps. That's in THEIR mind. They haven't progressed to this sort of partnership thing where you get to a win-win situation where if you trust the people you are dealing with and if you can work together on something - and in order to work together properly you have to have a high level of trust - if you can come to this stage, I think the two companies can make a lot more progress than if you are always in opposition. If I am always fighting to get something done, and he is always fighting against me or always wants something that I can't deliver on that is more difficult, and that's not really the way modern business relationships are. It's what companies can do together basically.

Confectionery

In cases where either the client company culture or the individual buyer do not allow for the development of a close relationship, the sales person is left with no option but to take an adversarial stance toward the client herself, even if her conception of the ideal sales relationship is different. Such an imbalance of control over the relationship development corresponds to the traditional power distribution in buyer-seller relationships where the sales person frequently sees herself in an inferior position to the client who decides on the continuation of the interaction. Many respondents believe that a personal relationship between client and sales person could provide a counterbalance to the power inequality that exists between the parties:

Q: Are there issues of power between client and agency?

A: Yes, inevitably. With certain clients there never are. With my favourite client, there never ever is. But there inevitably is. And I think those instances of power inevitably come out when things are going bad. They might say: if you don't get it right, we go to another agency, or we ask a few agencies to pitch. And that's horrible and really frustrating, and often you would really like to tell the client just to fuck off. But obviously you can't do that. It does rear its head. But again, I find the better your ongoing relationship is with a client, the less and less it will. The two clients I mentioned that I have a fantastic relationship with, I never had a power problem with them, never.

Advertising

A sales person thus frequently has more interest in engaging in a close personal relationship than the buyer does, but it is the latter who controls the extent to which a relationship can be developed between the parties. Thus, the sales person often finds herself in a double dilemma: she needs to initiate an intimate relationship in order to balance out the buyer power but does not find herself in a strong enough position to develop such a relationship if the other party does not allow her to do so. To use the marital metaphor, the seller does the wooing while the buyer determines the extent to which he allows himself to be wooed and also the manner and the pace in which this wooing will take place. Some sales people clearly perceive this imbalance as a strain in their job:

My problem is though that ultimately they provide us with business so there is an onus on me to have a relationship with them, rather than the other way round. It's beneficial for them but it's more of an onus for me to do it. There is more of an onus then on me if I feel that the person goes a certain way, there is more of an onus for me to kind of go with that. If they want to mess and chat on the phone then I mess and chat on the phone, but if they want to be serious and straightforward on the phone then I'll be serious and straightforward on the phone, if that's what they want.

Financial services

In summary, even though most of the time sales professionals have a clear notion of what kind of relationship they would like to develop with their clients, depending on their own personality and business parameters, they are not always in a position to determine the shaping of the actual relationship. Contextual variables such as the nature of the offering may prevent any intimacy between buyer and seller; alternatively the buyer may favour a certain constellation or his organisation may have policies in place that champion certain types of relationships.

8.2 The basis of the client-sales person relationship

In the relationship selling and marketing literature, various antecedents for building interorganisational relationships have been suggested, for example trust (Morgan and Hunt 1994; Doney and Cannon 1997), commitment (Morgan and Hunt 1994), liking (Nicholson, Compeau and Sethi 2001) and sales person-client similarity (Brock Smith 1998). In this study, when respondents were asked what they perceived to be the basis of a good client relationship, the following factors were mentioned:

- Trust
- Commitment
- Service level
- Mutual knowledge
- Respect
- Honesty
- Chemistry between the individuals

8.2.1 Trust

Trust has been said to exist “when one party has confidence in an exchange partner's reliability and integrity” (Morgan and Hunt 1994, p. 23). For many sales professionals, such a belief in the exchange partner’s integrity seems to be the start and the end point of a sound client-sales person relationship. An initial level of trust has to exist between the parties to engage in the relationship in the first place. If, from the outset, the client occupies an adversarial stance towards the seller, it will be problematical for her to obtain the basic information needed to tailor the sales pitch to the buyer. For the buyer,

imparting such information to a sales person not only implies a considerable time investment, but also a certain leap of faith:

It's not always easy to join you in a purchase like that, because it requires a customer to surrender an aspect of their position where they would be normally sitting there as the dominant player in this: 'You convince me, Susi. Tell me why I should buy your product. And to get a buyer to say: 'Ok Susi I tell you what, you convince me that you know something about what my needs are but why don't we pool our resources and I share with you some more detail on what I really need and maybe give you some background information on the exploration I've done so far and I can highlight what's gone well and what's gone badly, and we can see what degree of fit there is between my needs and your product.' Now to get someone to do that requires, I would argue, a very high level of trust, because as a customer you're surrendering an awful lot, you're putting many of your cards on the table. If I don't trust you, if I just think you are a slick sales rep, then I in effect hold all the buttons to press.

Telecommunication

Thus, trust is the very starting point of a client-seller interaction. For sales people, creating an initial level of trust in the very short space of time that a first sales call provides is a skill that has to be mastered before other relationship building and indeed selling skills can come to the fore. Initially, a sales person can gain a buyer's trust by signalling that she is interested in more than just a quick sale. This can be achieved for example through honesty with regard to the product offering – which proves to the client the sales person's integrity:

Q: So how would you go about creating this confidence in your clients?

A: Architects are a double-edged sword. Because they are very professional. And it's nice to deal with somebody who appreciates quality products, performance products, but as I say they are spending other people's money so they have to be careful as to how far they can go. So essentially relationships are all about trust, and to build that initial trust, I deal with a very simple concept with architects, and it's called 'warts and all'. Basically I never walk out of an architect's office without giving him some bad news as well, and that's how you earn their confidence and trust. If you go in there with your hat on and everything is flowery and wonderful and we work everything out, they are going to feel uneasy, because that's not the way things turn out in reality. And they know that. And if you are worth your salt they expect you to know that as well. So if you can temper your pitch to an architect by throwing in a few buts and maybes, then they will trust you. They will say to themselves: He is not going to let me make a mistake. He has my interest at heart, this is important to him as well.

Building materials

This initial level of trust represents a credit from which the sales person can benefit by tailoring her offering to the client's needs. If, subsequently, the sales person does not deliver on a client's first impression of her trustworthiness, this initial credit will quickly be exhausted and the relationship will more than likely fail to develop. Thus, building upon the initial trust that a sales person may instil in a customer is essential for the positive continuation of the relationship, and it can only be achieved in conjunction with some of the other factors such as commitment and honesty (see below).

If a sales person receives an initial credit of trust from the client and subsequently fulfils the client's expectations, the level of trust will increase along with the track record of the sales rep. The more the seller proves trustworthy in her daily interaction with the client, the more trust will be put in her, up to a level where no further proof is needed and trust has become implicit in the sales person-client interaction:

I know some guys who would get on extremely well with store managers and they trust them, one guy in particular whom they would trust implicitly. And if he says something, that's fine. He could write down 100 boxes with some justification and say: that'll sell, they would say: ok if you say that sells it will sell. Now he has built that up by being right a number of times when he has said in the past that it would sell, or if he was wrong doing something about it. If they still had 50 outers left at the end of the promotion, he would figure something out. He might take it back or give them some kind of allowance to sell it off cheaply. So they know they will not have any problems selling the stuff. So that really gives him a great credibility with the store. So when he comes in and says: I can do 10,000 pounds on this promotion, they say: ok, go for it, and he gets the best display in the shop, he gets them the best service, and he has to work hard for it too, it doesn't come. He has to work hard that the display is delivered on time, that it is serviced on time, he just has to pay that little bit of extra attention so that everything runs smoothly.

Confectionery

The high level of trust described in the above excerpt is not an exception. If, over a period of several years of repeat interactions, the seller proves continuously to have the client's best interests at heart, it can come to a stage where the client almost hands his business over to the sales rep:

I think if there is one single characteristic it would be trust, trust between the buyer and the seller. Now that is impossible to describe and it's impossible to tell how you might go about doing it, but it certainly IS the most important issue. And I

think - for example we had a situation where a fairly large customer came along and said: listen, we are going to present a new toolbar, 5 metres of tools. And we want you to do the order, and they would literally give us free hand to write the order. And we would put in the merchandising and all of that. That's trust. That means: ok, you do it, and we trust you that you won't overload us, we trust you that it's the right product mix etc. Now that's something that takes years and years to build, and when it happens it's very gratifying.

Hardware

In this sense, trust is the end point of a client-sales person relationship. It is the stage where both parties no longer perceive themselves as two parties but rather form a unit that works for a common goal. At this stage, trust in the relationship acts as a short circuit for the buying process: it takes much of the posturing and haggling out of the sales interaction and leaves the two parties space to reach an agreement that is truly mutually beneficial. It is the point where the relationship is no longer governed by the rules of antagonism, but by the aforementioned 'rules of friendship'. It means that the parties do not need any additional proof for the quality of a product or the suitability of an offering other than the trusted sales person's word, and only his:

We went down to see some people about buying some of our products for the first time, I had been in with that company for many years dealing with other products, and our sales guy at the time was coming in with me, he'd gone in first, and it looked all very good, there was a need there and our product would definitely do the job, it would probably be the best product, we could match their budget, we could do everything, and they phoned up and said: look we want YOU to come in, just come down and we just want to chat with you for a minute, we've seen the product, we've seen everything else, and I went in and they just said: right G., I only want to know: will it work? I've seen it, your other guy has come in, it's all been fine, but I want to hear it from you, you've been here for so long now, tell me if it will work or if it won't, and I said: it will work, and they placed the order the next week.

Measuring Instruments

Trust, as it is displayed in the anecdote reported above, is the ultimate litmus of the 'relationship quality' between buyer and seller (Crosby, Evans and Cowles 1990). The level of trust in a buyer-seller relationship is probably the most important differentiating factor between the types of relationships discussed in the previous chapter. In a 'business only' relationship, trust does not even come into the relationship equation, as both parties assume from the outset that the other follows an adversarial agenda. In a

cultivated relationship, the sales person has to prove her trustworthiness continuously vis-à-vis the client because commitment is not unconditional. In a genuine relationship, trust means 'that you can trust each other in business as friends' (media), since knowing the relational partner at a personal level confirms their business demeanour. In order to achieve such a trusting relationship, however, a few other factors have to contribute to the relationship development. One such variable that has already been mentioned as moderating the development of trust is honesty.

8.2.2 Honesty

Honesty is mentioned in most interviews as an essential feature of client-sales person relationships. Sales people know that clients expect to hear the truth about such fundamental facts as product performance or delivery periods; most of them also believe that it pays to be frank with a client about problems that arise during the interaction:

The only way to deal with that kind of situation where something is going to be late or we have done something wrong in production is to ring the client and be really, really honest. If you make up an excuse or if you lie, they will figure it out eventually, whereas if I say: look this is what happened, I am really, really sorry, I take full responsibility – what can they say? You said that you are sorry, you said that you are responsible, and 99 per cent of the time they will respect you for that. And they might shout and roar at you, but that then is the end of it.

Advertising

Honesty, like trust, is a relationship element that is based on mutuality. If one party is deceitful, the other party will eventually cease to communicate openly as well and the relationship will regress into a hostile one. In a buyer-seller scenario with its asymmetry of power, the less powerful party – commonly the seller – has to establish its sincerity before the more powerful party will reciprocate. In a genuine relationship, however, such power imbalances are less sizeable and sincerity should be mutual:

The area of the agency-client assessment on an annual basis is very important from both points of view. It is vital that it's mutual. If you have a good relationship, if at the end of the year the client does an assessment of the agency across a range of criteria and the agency does an assessment of the client and you sit down and analyse the results and take action, that can be excellent for the efficacy of the

relationship and the results. But it only works if you have total honesty. And I have come across clients who strongly objected to the agency making an assessment of the client: 'How dare you, we are the boss'. But if that is the case the relationship is going to be thwarted anyway because it isn't an open, equal relationship.

Advertising

Honesty is a crucial element of what this respondent calls an 'open, equal relationship'; if both parties are confident that the other does not attempt any deception, the rules of friendship apply and words as well as acts will be taken at face value. In a cultivated relationship, both parties should aspire to frankness, but the underlying strategic context may inhibit total candour. As strategic considerations prevail in 'business only' relationships, openness of communication will rarely occur.

8.2.3 *Respect*

Another foundation stone for a beneficial client relationship is mutual respect. Respect in a buyer or in a seller is linked to the professional dimension more than to the personal one, as it forms when both parties have faith in the other's expert knowledge and abilities. Working through problematic situations seems to deepen the professional regard both parties have for each other:

To a certain extent you have to respect each other. It doesn't matter if you like each other and trust each other, but if I think that person isn't very good, that is going to colour my opinion and vice versa. An interesting thing is that I believe it helps in a relationship if something actually goes wrong. Just a big one-off thing. And you manage to sort that problem out and you kinda move forward. That's actually quite helpful. Because we are basically demonstrating to each other that if something goes wrong, we can work together to resolve the problem. Obviously you don't want it to happen too often, but if it does happen and you do resolve it you probably come back to that person with a much better relationship because they now have a much stronger sense that if anything goes wrong, that they know * well enough and they trust * well enough and they will be able to solve the problem. In other words, seeing the trust and the respect in action is probably a lot more advantageous than just talking about it.

Financial services

In difficult times, both sides learn that they have to depend on each other's specialist knowledge; this awareness can reduce the tendency of the more powerful party – usually the buyer – to discount the other's input in the interaction. Most interviewees

accentuate the point that professional respect has to be earned continually. Lapses in service levels or commitment might not affect the friendship between a buyer and a seller immediately, but they will have a bearing on the professional regard the buyer holds for a sales rep. Respect seems to be central for any type of buyer-seller relationship: even in highly adversarial relationships, a professional demeanour can earn the relationship a certain degree of stability.

8.2.4 Service level

The respect that a buyer holds for a seller is closely related to the level of service he receives. In many interviewees' opinion, quality service is the basis not only for a continued business, but also for the personal relationship between buyer and seller:

Q: What in your opinion would affect a client-agency relationship most?

A: Poor service. The things I am talking about here is assuming a good level of service. If there isn't a good service from the agency for the client there is no relationship and there is no basis upon which to build a relationship.

Advertising

Opinions however diverge on the question of whether a high service level is more important in antagonistic or in friendly relationships. In an antagonistic relationship, the sales rep frequently feels that any slip-up on her part provides ammunition for the client to be used against her or for competitors to intrude into the business interaction. Thus, if no personal bond between buyer and seller exists, a flawless client service is often the only safeguard for a sales rep to maintain the business.

In friendly relationships, the strength of the relationship may lead the client to tolerate minor mistakes; however, a permanent lapse in the service level can not only affect business dealings, but also the friendship between a client and a sales professional. On the other hand, an exceptional service level can tie the parties even stronger together:

And service as well is very key to what we provide. And people feel it also adds to the whole friendship from their perspective. If your friend has a company, and the service they are getting is excellent, and in a lot of places they are not getting a

strong service, definitely a very strong after-sale service, so if they feel they are getting a very strong after-sales service, they will feel that they are getting that because they are your friend and you are making the extra effort on their behalf. So it all ties itself into each other.

Media

8.2.5 Commitment

If the literature defines commitment as both parties' belief that "the relationship is worth working on to ensure that it endures indefinitely" (Morgan and Hunt 1994, p. 23), commitment for the sales professional is the fact that 'you are not just in it for you but for the bigger picture' (media). Commitment seems to be highest in 'genuine' relationships where both parties have a desire to 'look out for each other' (media). In such a scenario, commitment is based on mutuality. Even though the seller may take the first steps in showing her commitment to the client, the buyer reciprocates by signalling his own desire to project the interaction into the future. Sharing plans for future business with the seller may be one way for a buyer to show his commitment; imparting internal information to her such as financial or legal agreements may be another one. In cultivated relationships, on the other hand, the buyer does not necessarily reciprocate a seller's commitment. The onus of demonstrating a continuously high level of commitment lies mainly with the sales person, whereas the client keeps his strategic options open and avoids the creation of any barriers to switch. In a 'business only' relationship, both parties' commitment to the relationship does not usually exceed the current business interaction.

A sales person can be committed to her client in two ways. For one, she can be committed to the client on a professional plane in ensuring that her company delivers the best possible products and services to the client company. In very friendly relationships, a second level of commitment can enter the interaction, namely a commitment to the client's personal welfare:

It's a friendship, and you do things for them and people can phone you and ask you about things, and what people often do they ask you about a competitor, not competitors' products but unrelated products that you have experience of where they are making a buying decision, and they say: you know that company and you know that company, which of them would you rate? And they'll ask you those kinds of things, they'll ask you about: you worked in such a place in Cork, they are hiring, what are they like to work with, would I like it there? So you are doing things for THEM as friends, more than even their company. The same as I say about entertaining, a company entertaining versus me going out with friends are two different things, and if you are talking to someone about doing up a CV, you are talking to them as them, not as part of Novartis or as part of Ely Lilly or as part of whoever, you are saying this is the individual as you know it, and they say: you know such and such? I am going to have an interview there next week, what are they like, do they pay well? So you would talk about that or you would talk about, when you got your house, where did you get the floor, where did you get this, and you are talking about things that happen in their lives, not necessarily in their company's life. Though you can do that too, but that's company business.

Measuring Instruments

In some instances, these two levels of commitment clash, which can trigger a conflict of interest for the sales person. In general, the commitment to the client company seems to prevail in such circumstances since the underlying business context dictates the general parameters of the interaction even in genuine client-seller relationships.

8.2.6 *Mutual knowledge*

The source of a good service level and high commitment, according to many respondents, is mutual knowledge. A sales professional can only fulfil a client's business requirements if she knows what they are; likewise, she can only demonstrate her commitment to the client from a personal perspective if she knows what his individual goals are. That knowledge be *mutual* is central to the trust building exercise. Many respondents firmly believe that a buyer can only develop trust in a sales person if he knows as much about her *as a person* as possible. By revealing her personal and professional circumstances, a sales person can differentiate herself from the stereotypical image of a sales person 'as being not very pleasant personalities because they are smarmy and that they don't really have any great depth' (financial services). If a sales rep can overcome this stereotype by imparting information about herself as a

'real' person, one of the major obstacles to building 'genuine' relationships in sales is removed: the strict adherence of many buyers and sellers to set roles. Solomon et al. (1985, p. 102) define the roles taken on by buyers and sellers in the service encounter as "a cluster of social cues that guide and direct an individual's behavior in a given setting". Such roles are quasi-ritualised and thus highly prescriptive for behaviour in standard situations. From a relational perspective, the existence of set roles and associated role expectations can be detrimental to the relationship building effort, because personal bonding between two individuals can only occur if the 'real' people are visible behind the masks the situation forces upon the parties. This is why it is as important for the sales person that she knows her client as it is for the client to have a deep knowledge of the sales person as an individual. However, the extent to which it is feasible or even desirable for participants to gradually abandon their roles is contingent on the situational circumstances and the degree of adversity both players adopt.

8.2.7 *The 'chemistry'*

The bonding factor depends not only on the relationship players (at least partly) dropping their masks, but also on the chemistry between the individuals. For decades, the sales literature has examined different affective and cognitive factors of sales person-client relationships such as liking or similarity in order to explain the bonding mechanisms between two people, often with contradictory results. For instance, Crosby, Evans and Cowles (1990) find that although sales person-client similarity influences short-term goals, it does not explain the long-term success of a client relationship. Both Doney and Cannon (1997) and Nicholson, Compeau and Sethi (2001) however suggest that liking and similarity are critical factors for the development of trust in a buyer-seller relationship, which in turn mediates anticipated future interaction. This contradiction could be explained with Biong and Selnes' (1995) observation that

personal similarity plays a more important role in new client relationships than in mature ones. The reason for these incongruous outcomes may also be that many sales people themselves find it difficult to describe the 'chemistry' between themselves and some of their clients. In the interviews conducted for this study, it was attributed to a variety of factors such as 'similar minds, similar likes', 'a personality thing that we hit it off together', 'same view of the world', 'a good sense of humour', 'a mutual understanding' or similar hobbies, family status or origins. If the (in definitional terms rather nebulous) chemistry is 'right', both actors can develop a genuine relationship where the social as well as the business interaction is not perceived as a strain. If it isn't 'right', the relationship is mostly limited to a cultivated one where both parties are affable even though they would not have chosen to interact with their respective counterpart if a choice was there.

To conclude, the basis for a successful client-sales person relationship can be broken up into those factors that represent minimum requirements for 'business only' and cultivated relationships - professional respect, honesty, a high level of service and commitment to the client company - and those that allow a relationship to thrive beyond the business plane - namely trust, mutual knowledge and the 'chemistry' between the individuals. Depending on the type of relationship that the individual participants attempt to develop, they have to lay the basis by promoting these antecedent factors.

8.3 Developing client relationship

Buyer-seller relationships have repeatedly been likened to marriages with regard to their development (Levitt 1983). Building on this analogy, Dwyer, Schurr and Oh (1987) present a five-stage model of relationship development that includes awareness, exploration, expansion, commitment and finally dissolution. Although relationship development does not represent the central focus of this dissertation, it is part of sales people's relational knowledge and will therefore be discussed briefly.²⁰ For some sales people, relationships evolve like their stock of customer knowledge: they develop serendipitously as a matter of course when dealing with a particular client over a prolonged period of time. If a particular client relationship follows such an organic development, its evolution may only become apparent when certain milestones are reached:

Q: And that example with J., that she actually changed - would that happen often that a client changes like that?

A: No, that's actually quite rare. I don't think that they change, it's more the fact that you actually get a relationship. That's the sign that you actually have a relationship. [...] What happened with J. was that she wasn't having relationships, so whoever had her on the phone, it would have been quite formal and just talking about the business and then good-bye. Whereas now she would stop and take her time and chat. But that's more a sign of a relationship developing rather than J. or myself changing.

Financial services

A lot of sales people seem to recognise two such milestones: the transition from having 'no' relationship to having 'a' relationship, and the transition from having 'a' relationship to having a 'genuine' relationship. How long each phase lasts and how to get from one to the next is dependent on both buyer and seller personalities:

²⁰ This is an area empirical research needs to explore in much more detail than previously done. Such research should ideally be of longitudinal nature and follow the development of actual buyer-seller relationships from establishment to termination.

There's a very good friend of mine who I worked with years ago. I never had any direct relationship buying or selling with him, but he is completely different to me, this guy was at one stage contemplating to become a priest. He is very dry and quiet and appears subdued but he is not, I think he is brilliant as well, and he has done very well too, but I know that his personality people find it harder to get into, but once they do get into him, they do it very strongly because they know that he is a really really good guy. But it takes him longer to get from phase one to phase two, but when he gets to phase two, he gets to a stronger phase two than I got. It takes me longer to get it through craic and fun. We might get to the same point at the same time, but different stages. My stages were short stage one and long phase two, and it takes him a long time to get to phase two, but when he gets there he gets there.

Media

In this account, 'stage one' and 'stage two' broadly correspond to the distinction between cultivated relationships and genuine relationships, which shows that these ideal types can in some cases represent a longitudinal continuum of a buyer-seller interaction rather than a scale of mutually exclusive types. In some cases, even adversarial relationships can be turned into friendly relations, as the following vignette illustrates:

We went into one company very early on in Northern Ireland. A very sensitive place at the best of times. And the company was represented by an agent from Belfast before, and now it was represented by a company from the Republic. We went to the place and it was not exactly a Catholic area, to say the least, and we were literally verbally assaulted over the table. Five people there saying: we will never buy from you, we want our relationship in Belfast or in England, but not Dublin! And it went on and on and on and on and on and on. And we came out of it and said: well, that was interesting anyway, we will NEVER do business here. We are finished, get out. And it was our first visit, they had never met us before in their entire lives, it was horrendous. And we just said: ok, now we have a challenge, how are we going to sell to these people? We are gonna sell them something, we are gonna be extra nice to them. But over the course of that, a funny thing happened. We sold the products in and we went up there regularly installing and servicing, any problems we sorted them out, we gave them a very good service because in some sense we knew they were sensitive. But while all that was going on I got to know the people and the craic and what they were like. And the people are very different, and some issues you are afraid to talk about, like religion and marching, cause they probably all march anyway. You are gonna be careful, but they are very nice people and I got on very well with a few of them. Not in that sense that you go out with them, but you can sit down and just chat with them and they chat back and just talk to you, and again totally unrelated to work, and they trust you more, and now they wouldn't buy from anyone else, which is a lovely compliment. But there is probably two reasons to that, one, we gave them a very high level of service, and two we actually just got on together. And I know the company and I know the worries and I know the people and their worries and their worries about their future in the company and where they think they are going

Measuring instruments

In the above case, the initially hostile relationship as determined by the client was transformed through a high degree of customer service and through getting to know the individuals on a personal level. In such cases, where the client relationship is not as good as the business requires, the sales person often makes a very deliberate effort to improve it. This may be done, as in the above vignette, through excellent client service, but it can also be tackled openly by broaching the problems in the relationship with the client. If both parties are conscious of the mutual benefits positive client-seller relationships can produce, they will be willing to work out any differences in the relationship:

I was myself in a situation only a couple of months ago where the publican, we didn't gel. So I took the business off the table and said: ok, let's talk about something else. And your man was kind of taken aback by it. So we spent two and a half hours at it, and by the end of the day I felt that I could put the business back on the table again. And it was very constructive. But it had to be managed. The customer's feelings, and same thing I felt that he didn't really want to be at the table, or that he was putting barriers up, but at the same time he needs us and we need him to grow business together. So a lot of that kind of hard talking, and at the end of those two and a half hours we got back into talking about him as a person rather than business, and once we got onto that level, we were able to put business back on the table and say: Ok, what are we going to do next month together in the business? And he was a good business man, I was able to have this conversation with him, but you might find to have that kind of conversation with another person much harder. And maybe in a lot of cases we don't always see where we have a bad relationship.

Confectionery

In this case, a switch of register in the conversation was used to generate a switch of the relational mode in which the participants in the relationship were operating. This strategy of generating a 'time out' in adversarial relationships to break down some of the barriers on both sides is frequently employed if parties are willing to co-operate but mechanically perpetuate a hostile interaction routine. It seems that if the parties manage to overcome such obvious barriers to developing a closer relationship, the future of the interaction will be all the better for it. Problems appear to present an opportunity to put the relationship to a test – if both parties realise that they can rely on the other side in

times of trouble, they will be more reluctant to relinquish the relationship for alternative partners with an unknown capacity to negotiate through troubled waters. Thus, in many respondents' accounts, client relationships have to go through ups and downs to obtain the depth that allows both participants to trust the other. 'Seeing the client through everything, good times, bad times, sticking with them', as one respondent phrased it, is much more constructive than an evolution in a straight line if a sales person wants to reach the point where the client has complete faith in her.²¹ Many clients expect the sales professional to earn her spurs as an individual before committing to her:

Q: Would that then be sufficient to be prepared to meet this person?

A: Not this person. They are difficult to deal with. It's strange that - they would be comfortable dealing with me now, because we have been through quite a lot, and I have done favours for them, and they have - well they haven't done any favours for us cause he is a broker, but if you walked in without me introducing you, they would be very wary 'who is this person'? And even though you may have a lot of knowledge about them, it would take them a long time to accept you as a new person. When I was introduced with D. [his boss], for the first six months of that when a phone call was made from the broker to us it was always made to D. So it wasn't until D. would say: well I get K. to ring you back, that - and eventually now it's me that runs the account.

Financial services

In this phase of the budding relationship, the sales rep often has to actively court the client. As mentioned before, in an asymmetrical relationship such as the sales interaction the pursuer has to make every effort to persuade the more powerful side to enter and stay in the relationship. Thus, although both sides have to commit to the relationship, its nurturing is frequently a one-sided enterprise:

We had to start building up our relationship, we were on the phone to them [the clients] every single day, if we didn't have something to tell them we would make something up to tell them just to start getting into the relationship, the sound of our voices, how the other person thought because you have to figure out the other person's thought processes as well, and it gradually happened. We were having all sorts of problems but we got there in the end. [...] But we try to speak to them at least every other day if not every day. You almost have to make an excuse to speak

²¹ This requires a long-term view of the benefits of the interaction as opposed to concentrating on short-term gains and is therefore indicative for a seller's relational stance.

to them because your relationship with them could be going very well and if it just drifts off and you don't speak to them for a while you almost have to start from scratch again, so you have to keep it going.

Advertising

This verbatim also displays an aspect of relationship development that research has investigated previously, namely the significance of contact frequency (Boles et al. 2000; Nicholson, Compeau and Sethi 2001). Some sales people believe that regular client contact is indispensable for advancing as well as maintaining the relationship. 'Staying in touch' allows to keep communication channels open and to sustain a degree of intimacy in the interaction. As the above verbatim shows, the need for continued contact is crucial at the early stages of a relationship, but even well established relationships need nurturing through regular interaction:

That is maybe another point we haven't touched too much on. Once you have made it you can't let it slip, you HAVE to keep - even if you don't have a reason to call them you have to ring maybe once every week. You have to keep at it and maintain it and look for new opportunities to bring it forward. If you just say: oh I have done that relationship now I am happy there, we will look after it in about six months time you mightn't have a relationship in six months time because they haven't heard from you in the last six months. Maintaining it is almost as crucial as making it.

Financial services

Thus, even though some client-sales person relationships seem to develop organically in the course of recurring interactions, most interviewees acknowledge that the onus of promoting and sustaining the relationship lies in their hands. In order to cultivate the relationship, regular client contact is vital. However, the relationship really seems to mature in times of difficulties. These are the moments where both participants' trust and loyalty are put to test; if the relationship survives turbulent times, it will have progressed to a higher level.

8.4 The role of the buyer-seller relationship

Macneil (1980) states that as soon as exchange is projected into the future, a more or less implicit relational contract develops between two parties and the anticipation of reward is deferred. In the case of the sales people interviewed and observed for this research, such a long-term perspective on potential benefits of the interaction was apparent. All of the respondents work in environments where exchange is recurring and contact between buyer and seller is relatively regular. In such an environment, short-term objectives such as immediate sales are often seen as secondary in relation to the potential long-term benefits of the relationship building exercise. Depending on the nature of the relationship, sales professionals' perceptions of such long-term benefits range from a purely personal payoff to specific advantages in selling the product to the client. The following section will present this spectrum of what sales people expect from their client relationships in their day-to-day activities.

8.4.1 Personal payoff and satisfaction

From a personal perspective, having a cultivated or even genuine relationship with a buyer or a seller simply makes for a more enjoyable working day. The existence of a sales rep is a very lonely one: many of the people interviewed spend most of their working day on the road, often far away from home, and some even spend the nights in hotels. This 'loneliness of the long-distance sales rep' is exacerbated by the fact that a lot of the interviewees see themselves as very gregarious people who thoroughly enjoy human interaction. Thus, for a sales person who often finds herself out on the road for the whole day or even several days in a row, it may be 'pure survival', as one respondent put it, to have friends among the people she is going to see for business.

Even if sales reps are on a more concentrated call cycle, they often seem to obtain a great sense of personal satisfaction out of a friendly conversation with a buyer. Having a friendly relationship with their counterparts seems to reduce the anxiety that sales people frequently suffer before sales calls,²² and it is even perceived to take some of the unease out of the interaction for the buyer, as the following excerpt indicates:

But the fact is that if you try and build up a relationship with somebody over time it makes it so much easier. So if you met somebody the week before and you had a chat with him, it just eases you into the question, so after a while you would spend a minute talking socially and informally, and then there would be a gap of five seconds and then you would say: I hear you have problems, what can I do for you? And that's fine. It just means that they don't mind as much ringing you up. If you put yourself in their position where they see you as sorting out problems that they have, and because they put their business with us it's your job to sort out problems, I presume it can become fairly stressful in having one relationship where you are just giving out constantly and 'fix that, fix that, what's wrong with *', blablabla, and it helps to form some sort of social relationship, so it's not always abuse, you can just have a talk and then come to whatever the problem is. And I guess that's much part of it. Not all people like giving out. Some people seem to like it, but I don't really think that. I think it actually has to be quite stressful for people doing that all the time. Whereas if you can just relax you don't mind that. Ok, they are going to give out to you, but at least it doesn't have to be a totally negative experience.

Financial services

It was mentioned in chapter 7.2 that if a sales person can talk about something that is enjoyable for the buyer it can temporarily ease the air of aggressiveness that is often present in sales encounters. If the relationship develops to a point where both participants enjoy the other's company as such, aggressiveness will not even come into play in the interaction. Many respondents agree that a personal relationship with a buyer creates such a comfort zone for the interaction:

And it has nothing to do with work but it's something to do with knowing the person and then be able to do your work in a more comfortable surrounding. It's different. People are nervous when they meet someone strange. They are nervous that they are going to be had. I like to meet people and I like to know people on a social level. There's lots of things that you can do, you can go for a game of golf

²² Verbeke and Bagozzi (2000) point to the fact that sales call anxiety is a widespread phenomenon among sales professionals and that it can reach intense levels for up to 40 per cent of sales people at some points in their careers.

on a summer's evening, go for a game of pool, whatever.

Measuring instruments

I think people like to see that familiar face, and if they have a relationship that they are familiar and comfortable with, people don't like change, especially Irish people, we are loyal people, somebody they know.

Groceries

Seeing 'a familiar face' seems to set buyer and seller at ease; it takes some of the stress out of a potentially confrontational interaction and allows for a more relaxed setting for the business interaction. It also allows both parties to maintain a consensual level of interaction that is detached from potentially contentious business issues and that the parties can fall back on if the interaction becomes problematic:

If it is a personal relationship you should always be able to say: right, this is the business, how is the wife? We are having a fight about this, and fine, that's business. I think that is a skill that you can have a fight with somebody over a business issue, and then five minutes later be talking about what he is doing for the weekend. Because it IS business. When we walk out of here at five or six or seven o'clock in the evening - business, you leave it behind you, you have to leave it behind you.

Confectionery

Customer details, as discussed previously, assist in the creation of this comfort zone. They act as a reminder of where the relationship stands at the moment and where it can be picked up from:

What makes the sales person effective or what makes him or her stand apart is the relationship they develop with the buyer or the decision maker, and part of the strength of that relationship is the information they keep, like the daughter is about to make her exams, Ian's wife is about to head for the holidays of her lifetime, so that when you go back in you can pick up on a conversation, and that's how we do it with people we know, it's these little triggers that remind us, that make us feel comfortable with one another before we go down to 'are you going to buy this from me'.

Telecommunication

Thus, a genuine relationship between buyer and seller creates a personal payoff for both parties and increases the non-monetary satisfaction that both parties can gain from the interaction. It also allows for the maintenance of a consensual level of interaction even if problems in the business interaction occur.

8.4.2 *The relationship as a lubricant*

In many cases, the personal relationship between a buyer and a seller is perceived to impact on the business as well as on the personal dimension of the exchange. Many of the sales people interviewed claim that personal closeness to a client acts as a lubricant for the business exchange - it eliminates many causes for friction between the two parties from the interaction. For instance, if both parties engage in a cultivated or genuine relationship with each other, the communication flow between the interactants is considered to be more efficient and the communication more open and honest. Put simply, sales people are cognisant that if clients are comfortable talking to them, they will do so more frankly – it seems that the personal relationship reduces the amount of masquerade in the sales interaction:

Q: What changes if you go into a call with a customer you don't really have a relationship with and if you go into a guy you have a good relationship with? Is there a difference?

A: Yes, there probably is. One is you can get a bit more background about, say, if there is a big problem, you go into the first, the person you know, and you probably spend five or ten minutes chatting and having craic. And they are gonna come in fairly shallowly into where the problem is. And you slag them off and say: You probably broke it did you? And you chat around and say: ok, what's going on, you can ask things without offending people, like: was there a new user on it? What happened before it broke, or what happened there, or why are you trying to do that, if you are trying to establish grounds for a sale, you can chat around and say: well, have you GOT a budget? You can get at things a little bit quicker. Have you got a budget? I does cut corner I suppose if you put it like that. You can talk differently to people. Are you actually going to buy? And they'd say: yes, we are going to. And right, then your hat comes on and you say: well, here's what you are gonna do. That's what we can do, boomboomboom, and you go through the whole thing.

Measuring Instruments

Open communication between the parties is particularly valuable when problems arise on the business level. If the sales person knows she can be candid with the client about a problem without being hit too hard, the problem can be tackled more overtly and solutions found more easily. In addition, the buyer more readily trusts the sales person to resolve the problem if he trusts her on a personal level. The personal relationship thus

provides a safety net that prevents the functional level from breaking down and acts as a catalyst to solve problems:

But where it [the personal relationship] does come in is when something goes wrong. Say you might make a mistake, and the broker finds out about that and is quite annoyed. So if you got a good relationship you should be able to ring this person or talk to him face to face and explain to him why it went wrong, why it won't happen again, why we are sorry. And typically if you have a good relationship they take it at face value and say 'fair enough' and won't make a big deal about it. Whereas if you don't have a good relationship with them, they won't trust what we actually say, they won't believe it and to a certain extent they will be looking for us to make a mistake because they want a better relationship elsewhere. So it comes into areas like that.

Financial services

For many respondents, the value of the (cultivated or genuine) relationship-as-lubricant comes to the fore in its capacity to reduce friction in difficult times. In the routine interaction, when all machinery runs smoothly, by definition the value of a lubricant lies in the fact that its service is not noticeable. Similarly, the personal relationship frequently takes a backseat role while the functional level operates as required: as long as it fulfils its role in the background it is not noticeable. However, if it does not perform its role, it comes to the forefront and can seriously impinge on the operational level of the relationship:

Q: Any examples where it didn't work?

A: There have been many times when sales people that have worked with me had a poor relationship with their customers because they didn't like them particularly or the rep didn't like the customer, one or the other, and therefore there was very little communication between the two, it was just an order fulfilment. And when that comes to light then you try and resolve that by trying to see what the issues are between the two parties. It didn't last for very long because you could not have a relationship like that. Your business is not going to grow and your business is not going to be successful if there is a relationship breakdown between an account manager and an account. So you either take the person off the account and put somebody else on, or you fix the relationship between the two people.

Pharmaceutical wholesale

Q: It's interesting. I am really surprised that it's so much about this personal thing.

A: Well you see, it's the foundation stone. It doesn't mean that everything will happen because of it. But if you haven't got it, you find it very hard to do the things you want to do. You know, if you got a customer who doesn't really like you, doesn't like the company, you have NO chance of growing your business. It might grow naturally, but if you want to exceed this growth, it won't happen.

Brewery

If perceived as a lubricant, the personal relationship is seen to play a role as a rather significant background variable. It underlies successful business interactions, but of itself does not actively promote the business. It may however produce fringe benefits for the sales person. It was mentioned above that the personal level of interaction allows for an improved flow of communication between a buyer and a seller. If such a level of communication exists between two parties on the grounds of a good relationship, information on various issues may be exchanged more freely between the parties. Such information may relate to details about the client himself and his company, as discussed previously, but it may well spill into other areas such as general information on the market or the end consumer. In the interviews, many respondents mentioned that in situations where the direct client acts as a gatekeeper for information on the end customer in the channel relationship, sales persons only obtain this information if they entertain a friendly relationship with the channel partner. Even information on competitors and their offers can be obtained as a result of the personal relationship between buyer and seller:

[On a sales visit to supermarket retailers with a sales manager of dairy products] V. makes a point out of talking to every floor manager in each supermarket we visit. If they are busy, he does his merchandising and comes back to them later. He tells me about his relationships with these people, that they appreciate the fact that he merchandises even at the weekend if he does his personal grocery shopping and notices that the shelves need attention. He believes that he gains huge benefits from this attention to detail, but also from his personal relationship with the floor managers. Indeed, over the course of the day, he obtains the sales figures for his competitors from one floor manager and the marketing plan for a new fruit juice from another.

Field notes, Dairy products

If they [the clients] like you, they'll tell you what, they'd say: look, your competitors beat you on performance, the results are better, I show you the results, or they say: look, I show you the quote. And they will show you the quote from the competitor, and in that case you are getting free information! You have seen the competitor's product and you've seen the price, so you can send a memo to the boss and say: look the price is all wrong, restructure your price or else we can't compete there.

Measuring instruments

Another fringe benefit that is perceived to stem from the personal relationship with a client is the extension of a sales person's business network. As one respondent put it, 'if you make friends with somebody, they are already friends with somebody else'. An informal introduction to potential customers or other players in the market can open up avenues for sales reps that would otherwise remain firmly locked. This aspect can even be crucial for existing contacts. Prior to a sale, the most important step for many sales reps is to get time with a buyer to present an offer. The personal relationship level can ensure that a buyer gives the sales person 'a fair crack of the whip', as one interviewee said:

Our industry isn't about knocking at people's doors as such, but it certainly is about getting people's time; and if I want to get somebody's time they've got to have a reason to want to pick up the phone when the receptionist rings through and says: P. is on the phone. Now they are sitting there and saying either: Oh, tell him I am not here, or else: yeah, I'll talk to him, P. is a good laugh, and you get in and you have a conversation.

Media

Sales people who perceive their personal client relationships as a lubricant for the business interaction are aware that although it may not guarantee a sale, cultivation of the personal dimension reduces some of the obstacles on the way to the sale and produces some fringe benefits that may smooth the way to future sales.

8.4.3 The relationship as an expedient

Some respondents feel that a strong client-sales person relationship can do more than just reduce obstacles to future exchange, that it can actively promote the business. These respondents reckon that all things being equal, a buyer will choose a supplier with whom he feels comfortable on a personal level and with whom he can build an atmosphere of mutual trust and respect:

And it's much easier as time goes on if you have a good relationship to keep these people. Now obviously they want the service, they want the terms that you can give them, but there is so much competition, there is * and then we have our three other competitors, and they could give them the same service, the same terms, the same

credit, so a lot of it comes down to: they like you, and this personality thing. Some people would come to me and they wouldn't give the business here, they mightn't just like the way I am and they'd go somewhere else and then others might come along and we would get along very well. So an awful lot is down to that.

Pharmaceutical wholesale

Sales professionals are conscious that the personal relationship cannot guarantee a deal if the level of service offered to the client is insufficient or if the product is inferior to competitors' offers. However, it seems to be common sales knowledge that even the most valuable business-to-business interaction contains an emotional element and that it is precisely this element that can make or break a sale if product offers are comparable. As one respondent said, 'you have to win their hearts *and* minds in order to make the sale' (telecommunication). Being human, buyers are known to enjoy a human interaction with a like mind; more importantly however, a personal relationship can help instil the confidence in a client that the person in front of him does not try to take advantage of him. Such trust is the best launching pad on which business can be predicated:

And I would see it as probably the most important thing to get them to relax and to open up, and to create a nice environment that is conducive to us presenting to them. ...We want an environment that is conducive to selling, and that they feel comfortable with us and have confidence in us and they like us. And if they are convinced that we are decent people, that they can trust us in what we say, they know in the back of their minds that we have their best interest at heart.

Cosmetics

In many respondents' opinion, a personal relationship with a client can therefore be directly conducive to sales by instilling a level of trust and an emotional attachment in the customer. Ultimately, these respondents see the role of a personal relationship-as-expedient in creating a level of dependency in the buyer. He has to have the feeling that the sales person adds enough value to the offer that it is worth choosing her in front of otherwise similar competitor offerings:

So the definition of a relationship therefore is not just knowing the person. It's not just having met somebody, that's not a relationship. But it's the case of getting them to create an element of dependency in some way. Now dependency might be too

strong a word, but that certainly might be the objective. To create an element of they want something from you or they feel you give them some added value. ...So it's a case of making sure that people think of you for a start and then secondly that you are going to give them some added value, because ultimately everybody is in this only to get a bit for themselves or for their own organisation. So you want to be able to demonstrate in some way that we have something that'll help them.

Financial services

Once the sale is made, the personal relationship is often seen to act as a buffer against competitors to maintain the account. In highly volatile markets for instance, a personal relationship between a buyer and a seller is frequently seen as the only stable factor a sales representative can hope to count on. One respondent, selling coffee into espresso bars and catering firms, reported that in his highly competitive market, the only way to keep clients is 'to make them feel guilty about leaving you'. This person operates in a market where products are more or less interchangeable and all he can do is to bank on the personal attachment between himself and his clients in order to retain his accounts. In this case again, the emotional element of the business interaction is believed to tip the balance between a sales person's and competitors' offers – an element that can be influenced to a large extent by the sales person's relationship building efforts. Incidentally, this interviewee's account of his sales existence would form a vivid parable for the commonality between sales and marital relationships. Throughout his interview, he used metaphors that depict him as the deceived husband who catches his partners – clients – cheating on him with other people – sales reps.

Even in less promiscuous markets, a solid client relationship is believed to give a supplier the edge over the competition:

The personal relationship with the client is tremendously important. If you don't have it, you still get your products out there, you still get the sale considering the strong brands that * has, but the placement of the product in store will be dreadful. And you also only get the promotional material into an account if you have the personal relationship.

Confectionery

Often, sales people feel that they can only move an account forward if the interaction is based on a close personal relationship. Shelf space in retail markets is an obvious example of the influence that the personal dimension has on the business interaction; the ability to introduce new products to a buyer is another one. Some sales people know that they can ask specific clients to take in more stock if they compete in a sales promotion. In the extreme case, the client may even actively promote the supplier's products as a personal favour to a sales rep, as a number of respondents admitted.

It is important to notice that the relationship-as-expedient only works if it is predicated on mutuality. Both the buyer and the seller have to be able to derive personal or monetary benefits from the interaction. Such 'give and take' is essential for adding value to the business interaction and it is a relationship feature that almost every single respondent referred to:

And you might say, of course, that's all to my advantage having him as a friend, but he might also be in a situation where he might try to win an account, and the account is going to be won or loss on the financial package, who puts together the best financial package. Then he will come to me and say: Look, I really need a deal to win the account. And I know that he is genuine, he genuinely needs the deal, he is not screwing me, I know in relation to this one client, for him to get the business, he needs that I pull all the stops for him. And I will, because it works both ways. I could make a deal that isn't a loss deal but certainly isn't a profit maker, that could be a loss deal if it was coming through another agency, because I know that what I have done for him to get the business, it will be paid back in spades through the business that he gives us. But I would help him. So you know the friendship works both ways.

Media

The relationship-as-expedient has to be expedient for both directions; it cannot be a one-way street. Only if both parties perceive a clear advantage will they put the effort into a close buyer-seller relationship. However, it is equally important to know to what extent and for what purposes a relationship can be used without actually damaging it. Sometimes, a personal favour to a buyer can put a seller into a loyalty conflict between her company and the client who asked for the favour. Such instances are seen as a major threat to the successful continuation of the relationship:

The broker will come up, you will go and ask him for something, he will ask you for something, that's the way relationships work, you give something you get it back later. You have to be quite careful in mentally seeing how far you can ask for something. I could ring up and ask for something from the broker, and K. would say: there is no way you are getting that, and he could be quite annoyed with me over asking that, and that could actually damage our relationship. And vice versa, K. could ring me up and I could say: K., I can't give you that. You never should have asked me that, you know full well I can't say yes to that. And I would think that that would damage our relationship because I wouldn't think as highly of him as before and he would be annoyed with me for having said no, so I think both sides have to recognise how far they can push their relationships. What are the limits, that has to be recognised.

Financial Services

In summary, if a cultivated or genuine relationship is pursued as an expedient for the business interaction, it can add tangible value to the economic exchange for the two parties involved; however, it can only be stretched to a point where the respective company loyalties are not affected.

8.4.4 The relationship as sales generator

Even if this seems surprising at a time where firms concentrate on increasing profit margins and stakeholder value, some respondents readily admit that the relationship to a buyer can be the sole determinant over a business deal. Even in high-ticket markets, some transactions are believed to be made on no other basis than the strength of the personal relationship between buyer and seller:

One of the other guys in here has a relationship with that broker, and just because of that last year they gave us the largest scheme that we have ever got, the largest customer that we have ever got. So there are definitely commercial benefits to us having relationships. A lot of our attitude toward the larger brokers is based on the idea that if we don't have relationships then we are doing something wrong. Our goal for complete success would be if you ask people in here to have a strong relationship with every single broker. And that's probably the best way long term for us to be the most productive with our brokers. We could try to be the best and giving the best service, and that's all very important and that's all part of our relationship, but the idea of having a relationship in itself is probably the most productive thing that we can possibly do.

Financial Services

In this scenario, the relationship to the client is the direct (and only!) path to the sale. The business deal is made as a direct result of the relationship between buyer and seller

independently of the quality and price of the offer. Unlike the previously discussed scenarios where the relationship supported the business development in some shape but was not exclusively accountable for it, in this case the only reason for the buyer to select the sales person is the fact that they are ‘buddies’.

Although all sales people seem to know tales of customers who took on mediocre products just because of their strong relationship with a sales rep, they often frown upon such practices publicly. Most interviewees want to believe that their selling success may be partly but not entirely due to their relationship building efforts, and that they give their clients quality products or service back in return to the business they obtain. This sense of mutuality that governs a personal relationship seems to prevail even if ‘undeserved’ business deals could be gained from a strong client relationship:

So I could get an offer from a magazine that’s not particularly great, and they could offer me the mother of all salaries. P. is a great sales guy, and all of a sudden our budget is going to be mad. And it will be initially cause I know people will, out of good faith, throw business my way. But you can only do that short term, and what would happen would be that the clients wouldn’t be getting good value cause they wouldn’t provide the service, so they’re demeaning their own job and they’re demeaning to help me, and I am not putting anything back into the mix.

Media .

The desire to ‘put something back into the mix’ shows a sense of obligation towards the sales person’s client that is in accordance with the relational approach. If long-term benefits are to be gained from the relationship, unilateral short-term advantages are seen as too small a price to compensate for the potential long-term damage that they could cause to the relationship:

The other side is that you like to think that a friendship would hold, that they would buy, but you OUGHTN’T to think it. They shouldn’t buy because of that. And if they bought and it wasn’t as good, I’d be more worried than they would. I’d actually be more concerned if I was selling them something that I couldn’t stand over, cause NOW you’re in trouble, before, ok you’ve lost the deal.

Measuring Instruments

Thus, even if it is possible to make a sale solely on the basis of strong client relations, it is not in the long-term interest of the sales person, as the client relationship may ultimately suffer from it. Indeed, the knowledge that a client may choose a supplier purely out of camaraderie can be upsetting for a sales rep as the playing field then moves away from rational arguments of product quality and service level to reasons of favouritism. As much as most respondents conceive of their relationship building efforts as an aid to lubricate or even expedite sales, they dismiss the idea that sales be *solely* decided upon on the basis of friendship. In genuine relationships in particular, the tenet of reciprocity of relational benefits is more important than momentary advantages that could be gained from the relationship.

8.5 Summing up the In-Between

Sales people hold a stock of knowledge that does not directly relate to their experience of the individual client, but rather to their experience of various different client relationships. This chapter has reviewed this knowledge of the 'In-Between' that is as intrinsically personal and experiential as the customer knowledge proper discussed in chapter 7, but that seems to be more readily generalisable across different relationship experiences. It was shown that in their accounts sales people distinguish between three ideal types of client relationships, the 'business only' relationship, the 'cultivated' relationship and the 'genuine' relationship. Even though all three of these ideal types include a long-term perspective on the buyer-seller interaction, comprise personal as well as economic exchange and share a common context – the commercial interaction between two organisations – they differ greatly in their quality. The 'business only' relationship is characterised by a low level of trust, a low level of commitment, covert strategies and a low degree of personal intimacy and knowledge between the parties. In a cultivated relationship, the strategic context still shapes the interaction to a large

extent, as both parties are eager to keep enough distance from each other to be uncompromising in the business negotiation. However, both seller and buyer are aware of the potential benefits of a strong relationship and endeavour to reach the stage where mutual benefit is certain. In the case of a cultivated relationship, both parties engage in occasionally extensive social contact to develop the relationship, but the strategic agenda dominates the interaction at all times. The genuine relationship is the scenario where the sales person and her client manage to create a truly unique relational space. On the basis of trust, commitment, openness and personal liking, they fully partner the other side even to the point where organisational allegiances may suffer. This type of relationship is dependent on a significant amount of personal interaction in order to sustain the level of trust and intimacy in the relationship.

It was pointed out that none of the ideal types discussed is *a priori* 'better' than others. The question of which of the three relational scenarios discussed are achievable and/or desirable appears to depend largely on situational circumstances and personal preferences. As an example, if the implicit or explicit rules of conduct in an industry do not allow for close client relationships, any attempt to transgress such conventions would more than likely be regarded as suspect. Although the sample of interviewees cannot presume to be representative, it seems that in most industries the cultivated relationship prevails. The mixture of personal closeness and professional reserve that this type of relationship affords seems to be the 'golden middle' that many respondents choose to pursue, if contextual factors do not force them into another relational type. However, this type of relationship is potentially also the most difficult to negotiate; as discussed, it requires a constant balancing act on the part of the participants to keep the personal and the professional aspects in a state of symmetry. Moreover, it seems that knowledge on how to 'cultivate' cultivated relationships is predominantly tacit as well.

Judging from the interviews, it is part of a sales person's experiential knowledge to be able to identify ways of getting closer to the client while at the same time keeping a professional distance.

Differences in the intensity of the relationship and the degree of intimacy are central to the influence the relationship has on business dealings. In the ideal scenario, a close client relationship offers personal as well as economic payoff for both parties involved. From the sales professional's point of view, a close client relationship can make for a more enjoyable working day by providing a communicative space outside business issues. It can act as a lubricant to reduce friction in the relationship, particularly in times of difficulty or when communication channels are obstructed. Sometimes, a good client relationship can actively expedite the sale by providing preferential treatment to the seller if other factors such as product or service quality and price are acceptable. Occasionally, the strength of the buyer-seller relationship represents the only motive of a buyer to choose a particular supplier. Even though this scenario ought to be the ultimate measure of successful relationship selling, most sales people recognise that it contravenes the norm of reciprocity that governs successful buyer-seller relationships. Thus, regardless of the actual nature and meaning of a client-sales person relationship, mutuality is the overriding feature of any strong client relationship.

9 Me: Characteristics of a relational seller

9.1 Selling skills and relational skills

Ingram (1996) points to the fact that with the change of emphasis from transactional to relational selling a new set of skills becomes crucial for selling success. According to Ingram, the relational seller needs to be a versatile communicator and a strategic thinker; she has to focus on listening and questioning rather than on talking and on establishing relationships rather than on 'closing the sale'.

Sales people themselves recognise how important relational skills are for engaging in mutually beneficial client relationships and for understanding the long-term needs and requirements of the customer. It comes as no surprise that the extent to which sales people accentuate relational skills is dependent on the relational modes in which they operate. If sales people remain at a 'business only' level in their customer interactions, transactional characteristics such as assertiveness, persistence and toughness are highlighted as the most central selling qualities. However, even in this mode the single transaction is embedded in a larger history of interactions between the two individuals in most industries. Hence, a certain amount of relational aptitude has to be present even in a 'business only' interaction to prevent alienating the client:

I was reading the Sunday Business Post on the web earlier on and all that stuff about customer relationship management and segmenting your market, at the end of the day, you need to get back to basics at some stage. And although I believe to a certain amount in all of that, you don't go in and call him names, as I say there is a continuum there, you don't have to be their best friend, you don't have to be their worst nightmare. But there's nothing wrong with being sociable, it doesn't cost you anything. And it helps.

Machinery

The importance of 'being sociable' obviously increases the more the sales interaction incorporates the interpersonal element. If sales people operate in the dual mode of

cultivating a personal as well as a business-focused relationship with a particular client, it appears that they have to possess two distinct sets of qualities as well:

Q: In your opinion, what's the characteristics of a good sales rep?

A: You need to be able to be assertive and you have to have a good personality.

Q: A good personality? Could you expand on that please?

A: I think somebody who is able to relate to people, who has good interpersonal skills, who can get people to like him and at the same time who can stand up to people if he feels that they are not going with him or if they are abusing him. If you have the good personality traits and be quite assertive you do well.

Confectionery

Assertiveness is still key to a successful business interaction in the cultivated relationship mode. In this mode, assertiveness and self-confidence help the sales person earn the respect needed to persuade the client to engage in a more intimate relationship with her (see also Rich and Smith 2000). At the same time, an overly self-confident sales professional may not achieve the relational goals envisaged at this level of interaction:

And even if you are talking about the attitude - I would even say if the person coming into us lacks a bit of self-confidence, it's actually a nice trait. People have the impression that sales people have to be super-confident. I probably appear very confident to you now because I know what I am talking about. But if I was face to face with a customer, I would be quite nervous, but I think that's a good thing as opposed to somebody who is completely confident. [...] Somebody who is completely confident, they feel they know it all, they feel that if they didn't get the order there was nothing wrong with what they did, must be external reasons. [...] Some people are so super-confident that they don't read the signals coming back from the other person. And selling is as I mentioned very much about asking questions, but also about getting feedback. You have to get feedback from a person. But sometimes people who are super-confident - you meet them socially, they tell a funny story and they don't get a reaction at all, I think if I was telling the story, I was looking if I am actually interesting, you kinda look for signals back. Superconfident people - if I was buying a car, I would like to have somebody who is superconfident, somebody who is in command. You buy a car it's a once-off purchase. In our selling it's selling yourself, it's relationship building, it's very different, because you call into the same customer all the time, it's a more long-term approach, much more the subtle approach. And basically the nicest quality a person can have is if they have an interest in somebody, and then just be yourself and be the genuine type of person.

Cosmetics

This excerpt illustrates the difference between relational and transactional selling and the respective skill requirements on the part of sales professionals. In transactional

selling, what is sold is the product or service offered. The sales person's task is to present the product or service in such a light that his own belief in it spills over to the customer. In this situation, assertiveness, self-confidence and controlling skills are key. In a relational setting, this stereotype of the over-confident sales person does not apply anymore. Rather than just selling a product, the sales person sells herself as a relational partner alongside and often even before the product or service. In transactional selling, sales people need to be 'in command'; in relational selling, sales people need to have a genuine interest for their customer's needs and wants. In transactional selling, they need to deliver a convincing argument; in relational selling, they need to pick up on the subtle feedback that a face-to-face encounter affords. Interestingly, the last verbatim clearly expresses the inherent vulnerability of the sales person that goes along with such an approach. If a sales person sells herself before or alongside the product offering, any rejection on the part of the client also implies a rejection of her own person. Chapter 13.2 will explore this 'risk of selling oneself' in more detail.

According to many respondents, sales people who are successful in a business-to-business environment with emphasis on long-term client relationships are not necessarily people who have the technical knowledge, but they are persons who are gregarious, affable and 'good at dealing with people'. These are the qualities that allow a sales person to sell herself and that make up the 'magic' of a good sales person:

Q: What exactly is that skill? Is there any possibility to nail it down? How would you describe it?

A: It's one of these things that I've seen in action, what do they do? It's a natural facility that some people have to relate to others, to figure out what's important to them. They are social skills, they are people who are comfortable being around other people. I guess the word that's being used about these sales people is that they're very gregarious, outgoing, find it easy to relate to, enjoy the company of other people. And that has nothing to do directly with the active selling and it has nothing to do directly with the type of information that they bring to bear on the process. It's something innate that they bring to the job themselves. The only point that I am making is: can I define the magic of a good sales person? Not easily is the answer to that.

Telecommunication

This rather elusive 'magic' is sometimes described as 'charm', as 'friendliness' or as 'wanting to be liked'. It is the quality that sales researchers call 'likeability' (Swan, Trawick and Silva 1985). Sales people who have this quality seem to be good communicators with a certain amount of conversational skill and entertainment value – a number of respondents told the researcher that they regarded it as one of their tasks to humour the client. If the seller does not manage to sell herself by being perceived as a 'nice' individual, even an exceptional offering may be susceptible to attacks from competition:

We have a competitor in the market who has the most fantastic offer. And there is an account manager in Dublin who is running the whole business and he is not making much impact. He got that fantastic product, I mean it's world-class, fantastic backup, fantastic point of sale, equipment, the price is so competitive, but the individual who is actually working the area is only picking up a handful of accounts because his interrelationship skills are zero. They all think he is arrogant, conceited, and he is just too good for some of the accounts. Now that just amazes me, because they are actually quite selective about where they position their brand, well and good, but even within his existing bank of clients I am currently trying to get the business from some of them. And yesterday I was in one of his accounts, and it's a large account, and this new food and beverage manager has just taken over, so I went in there to chat to him and I asked the questions and he said he had a very strong relationship with his existing supplier, and as I asked more questions the relationship was only equipment based. And it was something that we could actually meet them there. And he said: listen, to be honest with you, that guy came in and he is an absolute idiot, he is an absolute joke. If you can come up with the equipment and the product at the right price, we seriously consider you.

Catering

This vignette hints at the fact that 'niceness' in the eyes of many clients may be as much dependent on the charm of a sales person as on the level of interest she shows for an account – the competitor sales person in the above story was considered 'not nice' because he was 'just too good for some accounts'. It seems that the truly relational sales professional not only possesses a magical charm that allows her to win over clients, but she also seems to have a real interest in these clients and to listen to them. Indeed, for sellers striving for genuine relationships with their clients it is not enough to just 'turn

on the charm', as one respondent put it; the 'nice personality' has to be accompanied by active listening skills:

Q: What's the qualities of a good account handler?

A: Patience, understanding, a really, really, really good listener, and not just listen to the words but try to listen to what's behind the words. I was in a meeting this morning with quite a junior person in one of the client companies. And she was rattling off reasons why they didn't like an ad, and we were listening to her, and actually these weren't her words, that was what someone above her was saying.

Advertising

Listening skills are central in all relationship modes in order to develop customer knowledge: in modes where the strategic agenda dominates the interaction, listening skills allow a sales person to accumulate enough information to determine the best selling approach to a client. In the 'genuine' relationship mode, listening skills take on an even more pivotal role - they are the means to develop empathy with a counterpart. 'Active empathic listening', as Comer and Drollinger (1999) call it, is a prerequisite for an acute sense of the client's needs and wants, problems and concerns, which some sales people seem to possess and which helps them build up empathy for the client:

One of the major currencies of a good sales person is that they create a tremendous EMPATHY with the customer. They have this thing that they are almost on the customer's side against the company in some ways. And it's very hard to describe, because even when you are recruiting sales people it's probably the most difficult job you can do, because it's not easy to spot the good ones, there are no common characteristics, and they don't come in a particular size or fit. Some of them are exceptionally neat, some of them are scruffy, there are no common characteristics. But the one thing that they DO have and you only find that after the event is this empathy with the customer. Almost as if they are able to sort of come along and put the arm around the customer's shoulder and share his problems in some way. Now the very good, very successful sales people have this, and they do it almost instinctively. You asked them to describe what they are doing, they couldn't tell you. But it's a sort of a human bonding thing that they are particularly good at.

Hardware

Judging from this account, empathy is the most central quality that distinguishes a relational seller from a transactional seller. Most sales people operating in the 'genuine' relationship mode seem to be conscious that they have an ability to empathise with their clients. They may call it 'intuition', they may call it a 'flair' for their customers needs

but they do know that a distinctive quality allows them to transcend the typical barriers that personalities put up in a business context. In the literature on the psychology of counselling, empathy is defined as “the ability to enter into and understand the world of another person and to communicate this understanding to him or her” (Egan 1982, p. 95). From a client knowledge perspective, this definition suggests that empathic sales professionals are individuals who build up a very deep knowledge of the client and are able to *act* on this knowledge in their interactions with the client and in their emotional involvement with them. The aforementioned listening skills allow for knowledge development; the ability to relate to people allows for deep involvement.

Interestingly, prior research on the effect of empathy on sales success has yielded mixed findings. Using the Barret-Lennard Relationship Inventory measurement, Dawson and Pettijohn (1992) found that high levels of empathy could be counterproductive to performance. Similarly, McBane (1995) observed that although ‘perspective taking’ was conducive to performance, ‘emotional contagion’ had negative effects on selling success. Such negative effects could be caused by the fact that empathic sales professionals may find themselves in a conflict of loyalty between their own organisation and their client’s, as the last excerpt indicated.²³ In addition, neither study measured the effect of empathy on the relationship quality. It is likely that even though empathy may not directly affect sales, it is a mediating variable for relationship success. Even though they do not use the term empathy, Doney and Cannon’s (1997) study on the nature of trust in buyer-seller relationships establishes that trusting relationships “are based on internalizing the other’s desires and intentions” (p. 46). In ‘business only’ or cultivated relationships, such internalisation may not be needed for successful selling

²³ Chapter 13.1 will examine this issue of role conflict in more detail.

and may even hinder the seller's focus on the underlying strategic agenda. In a genuine relationship mode however, the ability to empathise with the counterpart is the central ingredient to creating trust and openness of communication, which ultimately will be conducive to sales performance.

In summary, three qualities seem to distinguish the relational from the transactional seller: relational sellers seem to possess the charm necessary to sell themselves alongside the product or service; they seem to actively listen to their clients, which allows them to develop a profound knowledge of the other, and they seem to have a compassionate personality that allows them to translate this client knowledge into empathy. Through their empathy, they create an atmosphere where the client feels 'at home' with a sales person, where both parties know each other and where both are comfortable enough to shed all strategic agendas in favour of an interaction based on mutual trust and understanding. This confirms Weitz and Bradford's (1999) argument that 'relational competency' is as much an attitudinal disposition as it is a behavioural trait: sales people need to have certain relational qualities, but they also need to be ready to invest these traits into their daily work.

The above discussion shows that the extent to which a certain type of client relationship can be generated depends as much on the relational skills the sales person brings to bear on the sales situation as it does on the willingness of the client to engage in a relationship with the seller. If the sales person has certain antennae for a client's needs and the relational skills to act on these needs, intimate relationships can be envisaged and barriers on the part of the client broken down. In selling situations where genuine relationships seem beneficial, such relational skills are thus equally if not more advantageous than traditional selling skills such as controlling behaviours.

9.2 Can 'the feel for the customer' be trained?

If a new set of skills applies for relational selling endeavours, it is important to investigate how these skills can be trained. An extensive body of literature has examined how transactional selling skills such as negotiation skills can be developed through effective sales training.²⁴ However, relational selling skills seem to be of a different nature:

So I don't think it was a conscious learning, I don't think anybody ever sat me down and said: you have to learn that, I think you just pick it up as you go along. And I think for people teaching younger people about this, I think it's like driving a car, you get into a car, you know you can drive a car, but if you try to teach somebody that skill, if you try to break it down, it can be very difficult, you don't know how you do it, you just do it. This must be similar. Because certainly now I couldn't tell people, I am finding it difficult to tell you, how you build a relationship and what are the important elements of a relationship. You just do it unconsciously. No, I can't remember any instances of learning it, but I know I did.

Advertising

Like the above interviewee, the majority of respondents are convinced that what they call 'people skills' are innate in a personality and can be developed through sales training only to a limited extent. Sales managers frequently claim to know how to recognise this skill in job applicants, but they are at pains to identify this '*je ne sais quoi*' and find it even more challenging to teach it to new entrants:

It's hard to describe an attitude really. And because it's so hard to describe it is so hard to teach somebody to have that certain attitude. It's that *Je ne sais quoi* that you get from people as they come in and how they interact with you and just the measure of them and how they are. It's hard to describe that kind of quality and it's impossible to teach.

Q: Impossible?

A: Yes, I would say impossible. You can teach them selling skills, you can teach them the various steps in selling, you can even teach them body language, things they should do and things they shouldn't do, but there's another level, and it's a level of charm. Be able to go in and understand people and really want to understand people and get them to like you.

Cosmetics

²⁴ For a summary of the literature see Dubinsky (1996).

This 'level of charm', that is the ability to relate to a variety of different people in an appropriate manner, can often be found in people who are drawn to work in service industries. One sales manager told the researcher that she was looking for job applicants with experience in retail sales, waitering, nursing or similar service professions rather than for applicants with a marketing degree, as many of the former seem to have a natural ability to empathise with others. The basis of people skills appears to be in-built in an individual's personality; sales training can be used to reinforce and complement such skills if the basis is present, but it is not regarded as being able to fundamentally turn around a personality that does not possess the requisite qualities:

Where the training comes in is, it can enforce you to recognise that relationships are important, it can enforce you to stop at the client and talk to people, it's important to get back to people, all sorts of tasks that people can change. But you can never - I think it's actually a skill. You might get better at it over time, you may learn, you may pick up the nuances of how are people operating and you make a scratching of being better at it. But unless you start off being reasonably good at it you will never be good at it long term. So training is an expensive way of making you less bad. There is not too much to be gained from it.

Financial services

This opinion seems to be widespread across a number of industries. Even among the firms with a high intake of sales staff participating in the study, many offer no more than rudimentary relationship skills training to their recruits. Sales training in these firms emphasises negotiation skills and controlling behaviours as well as product and industry knowledge and certain complementary abilities such as presentation and management skills. In these areas, the interviewees are confident that training can provide the technical basis for day-to-day selling and that it can supplement the relational skills that a sales person brings to her profession. Management and organisational skills in particular seem to be areas where sales managers rely heavily on sales training to provide expertise in matters that do not seem to come naturally to a lot of sales professionals:

It's not that you are a born sales rep, give them a car and a briefcase and off they go. Even the best of them have to - they win and succeed because they are organised and disciplined in what they do, and they bring as much of this hard and soft information to bear as they possibly can. But they DO have something; talent in sales, as in any other activity, does make a huge difference.

Q: And that rigour and organisation would be something that could be addressed through training?

A: Of course it can. And in fact what I found with sales guys seeing them in different businesses over the years is that the best of them have a balance between strong, innate talent and if that means that their nature is to be appalled by paper work, then to balance that through training. Because to earn the attention and respect of customers they need to be organised, they need to turn up on time, and they need to keep track, if the customer says 'I told you that at our last meeting with some actions you were going to follow up upon and have some queries about the state of my account.'

Telecommunication

Thus, follow-through and rigour in sales interactions are necessary qualities to maintain the business element at a professional level. In some industry sectors where 'business only' relationships are predominant, they possibly represent the most important qualities to be passed on to a new recruit. In such situations, formal training can even be used to teach shortcuts to 'real' relationship building skills:

And how I train my people is that I get them to identify the individual buyer and I get them then through continuous training to imitate the voice of the buyer. So if the buyer speaks very fast, you speak very fast. If the buyer is very laid back and relaxed, you are very laid back and relaxed. So what you are doing, and it's not a devious thing in any way, you are making it comfortable for him to do business with you. And it gives you the opportunity to understand his business. And to build up an understanding of his business. Because it's only when you build up an understanding of his business and the problems and issues he has with his business can you help him solve it with your products. And we would train our people to understand body language, when to lean back, when to lean forward, how close to sit with any of these individuals, and you would have certain criteria for it. And with these techniques you can get very close to your buyer, very fast.

Groceries

It is apparent that such 'closeness' is only skin-deep. In adversarial situations, such techniques – mostly subsumed under the heading of Neuro-Linguistic Programming – can indeed assist a seller creating an atmosphere where a mutually satisfactory business deal can be reached. Such techniques will however hardly allow the development of a highly intimate relationship with a buyer.

A technique that respondents have recognised as more appropriate for imparting relationship building skills than formal training is the mentor model. The mentor model appears to be a common approach for instructing new sales representatives across a variety of Irish industries. In this model, a young employee is assigned a tutor whom she shadows for a certain period of time. Such a tutor could be her sales manager, a senior sales representative or, in cases of staff changeover, the sales rep who exits the organisation. In this case, mentoring as a method of skills training is often combined with a process of sharing the previous incumbent's customer knowledge (see chapter 11.3). Most sales professionals interviewed enjoyed some form of mentoring at the beginning of their career, and most emphasise how much they learned from observing relational qualities in action:

Q: So in some way it really is a trial and error process that you go through?

A: Yes it is. I was very lucky because I had a fantastic mentor in my first six months in here, and without her I probably wouldn't be an account manager now. Because I got promoted account manager in a very short period of time and I attribute a lot of that to the way she trained me and to the way she taught me how to interact with clients and things like that.

Advertising

It is interesting to note that most of these mentors do not seem to have enjoyed any formal training themselves; they in turn had mentors who taught them the principles of relationship building with customers.²⁵ In this respect, relationship selling resembles a craft that is passed on from generation to generation through a type of apprenticeship model.

²⁵ According to one respondent, Irish Management Institute figures show that 40 per cent of middle management and 70 per cent of senior management in Irish sales organisations never had any formal sales training.

If a mentor is not present or if an organisation cannot afford to provide a tutor for new entrants, the sales representative appears to expand her relational skills by a process of trial and error in the live interaction with clients:

Q: Is that something you learn over time, to develop this kind of understanding?

A: I think you develop it over time. As you evolve in the sales business, particularly if you go in as sales rep and you are dealing with 30 or 40 customers a day, you get a sense for other people, you become a better listener, you are not unnerved by situations or shyness, you come to grips with that as part of your job. Definitely I would think you develop it over time. And certainly from the time I started in the job I feel I would be better prepared facing customers today. I know more what to expect and how to relate to them than two and a half, three years ago. [...] Can you train somebody to do it? You can give them ideas, but I think they need to go through the process. First to find out for yourself. If a guy comes in shouting and roaring and attacking you very aggressively no matter what you learnt before going to that meeting you have to go through that process a number of times before you are comfortable enough. You come out of college and you go into that it is very hard to cope with. Over a period of time you have experienced it on a regular basis, you are far better in responding to it.

Dairy products

Learning on the job seems to be key to developing relational skills; no level of formal training could convey the same ability to cope with different customers and different situations. Doyle and Roth's (1992) study on how to manage the relational seller confirms the fact that relational skills can hardly be trained in traditional coaching. They suggest the use of experiential learning and debriefing sessions to coach the relational seller on the job. In a similar vein, Erffmeyer, Russ and Hair (1992) affirm that interpersonal skills and attitudes are not easily taught; they recommend that sales managers recruit individuals who possess such skills rather than try to train them. If relational skill development is incorporated into formal training sessions, they recommend training formats that approximate real-life scenarios such as role-play. For the same reason, Boles, Barksdale and Johnson (1997) advocate the use of scripts on relationship development to educate inexperienced sales professionals in relationship building skills. In order to help a trainee develop her knowledge structures, Sujan, Weitz and Sujan (1988) recommend the use of expert sales people from within the

organisation rather than outside professionals, because they know the firm-specific situational variables. At the same time, Weitz and Bradford (1999, p. 249) admit that “the relationship manager's knowledge acquisition probably comes from considerable on-the-job learning experiences rather than from formal or informal training”. Teachable customer classification tools such as the Social Styles Matrix (Weitz, Castleberry and Tanner 1995) are considered limited as a surrogate to true customer understanding.

If, as the interviews carried out for this study suggest and the literature review confirms, the skill of internalising a client's needs and acting on this knowledge empathetically is primarily developed through experiential learning, it can be said to be genuinely tacit knowledge in Michael Polanyi's (1958/1974) sense. Client empathy is a know-how developed over time through a personal involvement of the knower in all acts of understanding. Like the craftsman, a sales person has to go through a hands-on apprenticeship that involves bodily experience with the client *in situ*, trial and error in the client interaction and learning from skilled others (Nonaka and Takeuchi 1995). The use of formal training tools such as role-play or scripts can approximate real-life scenarios, but they can never fully substitute for experiential learning.

10 Cultivating strategies

Part of a sales person's relational skill is to know how to establish and nurture a viable relationship with a client. Of the seven factors discussed above that lay the basis of a client-seller relationship, four can be established primarily through the day-to-day business interaction, namely commitment, service level, respect and honesty. Sales training can teach sellers how to show commitment to the client, how to maintain a satisfactory level of service and how to gain the client's respect through honest and open communication. The remaining three bases of a close client relationship, that is trust, mutual knowledge and chemistry, are on the other hand highly interpersonal variables that are formed as a result of the holistic experience of the other person. If a sales person's objective is to bring about a cultivated or even genuine client relationship for which these variables are vital, she must generate opportunities where such a holistic evaluation of the other person is possible and where a deep understanding of the two relationship participants can be developed. Training a sales person to develop trust or mutual knowledge appears to be difficult, as the above discussion shows. However, through their selling experience, sales professionals seem to hold a stock of knowledge on how to go about establishing these relational grounds with a client. A number of consciously or unconsciously deployed 'strategies' help sales people get to know a client and develop a relationship with him. In sales people's accounts of such 'cultivating strategies', two practices are recurrent: an emphasis on face-to-face contact and the use of the social event as a relationship catalyst. Both of these strategies assist in cultivating the relationship with a client as well as in fostering an understanding of him. Knowing the role and the workings of such cultivating strategies thus appears to be a hugely important part of sales people's stock of knowledge.

10.1 Face to face contact as cultivating mechanism

10.1.1 *Why is it necessary?*

I do believe on my side of the business [...] client contact is hugely important, talking to people is hugely important, cause there is a level of trust involved and trust is only delivered I think face-to-face, eye-to-eye or whatever, it's old-fashioned but it's probably true. [...] Trust is, yeah, there is an act of faith involved in giving an ad agency a brief and letting them come back with answers, sometimes there is escape routes but sometimes there isn't so I think when there is big money involved and when it's about relationships it's often better to front up to people face to face.

Advertising

According to the respondents of this study, the importance of face-to-face interaction in industrial selling cannot be overestimated as a tool for cultivating the 'In-Between' and for deepening one's client knowledge. Compared to other means of communication such as telephone, email or fax, face-to-face communication has been singled out in the interviews for various reasons. First, as the initial quote indicates, it is a crucial tool for building up trust. Trust seems to be established mainly through face-to-face contact, particularly in industries that involve a substantial commitment from one or both parties or in situations where one party's future depends on the realisation of the transaction. One of the respondents drew an analogy between selling in such circumstances and important political decisions to emphasise the significance of 'doing the eyeball to eyeball' in interactions that involve a high level of commitment:

A: And going off on a tangent, that is an important thing, there are key moments in a decision making process where you know it can only happen eyeball to eyeball. It's not phonecalls, or faxes or anything like that, you really have to sit down and get that commitment.

Q: Why?

A: Well, because at the end of the day, organisations that deal with each other are dealing with each other through people. And I have people that I am responsive to. And I have to be dead sure that when I go back to them and say: yes, it's happening, that I am on solid ground. Likewise, the people that I give commitments to do probably the same thing. But I feel it's more important to me, I am usually the one making a proposal. And I would always make a point out of picking up the phone and no matter what it takes getting half an hour before I make that commitment back to my own people. Again, by experience, there were occasions where I hadn't done it and it has been to my detriment. A physical commitment, eye to eye, is a lot stronger than a phone call where somebody says

yes. You need to leave nothing open to interpretation. It's not necessarily signing a document, that follows on again afterwards. But that's maybe my cautious nature, I like to bring things on to a stage where I know they are not going to pop back up on me. And I only feel comfortable doing that eyeball to eyeball. [...] You can be faxing and emailing all the time, but a physical meeting is something quite different. That's why politicians do it all the time. Because if you sit across somebody and look him eye to eye, it's a different kind of commitment.

Building materials

Thus, face-to-face provokes a certainty in the participants that they can rely on what the other person commits to. Judging from the accounts, it is far from being 'old-fashioned' to meet a client in person if a high degree of trust and commitment is required for a transaction. It seems that in a very literal sense, a person can only ascertain that she is in good hands if she has physical contact with her counterpart. The truthfulness of a statement is also easier to assess if it is made personally rather than on the telephone. The reason for the singular position of face-to-face communication is evident. Ever since Edward T. Hall's groundbreaking studies of the role of verbal and nonverbal communication systems in conveying cultural meanings (for example Hall 1959), it is common knowledge that paralanguage, kinesics and proxemics can reveal more about a sender's intentions than words themselves. Some sales people are trained to observe clients' nonverbal behaviour in order to adapt their sales approach; few are even trained to control their own body language. However, most people know at a very intuitive level that they can read more off another person's face than off her assertions:

A: Besides which I don't particularly like the telephone because I can't see people, I can't see their reaction, I don't know what they are thinking. I don't know what they are saying to themselves, I don't know what they are - I can't get any feedback.

Q: Would you work on the same principle with your clients?

A: A lot of the time, yes. I would rather see them face to face. I think it's better.

Pharmaceutical wholesale

Sales people are aware that through the mixture of communication systems, face-to-face contact offers a unique possibility for themselves as well as for their counterparts to establish trust in the other side, to communicate their credibility and to gauge the other's

reaction to one's (verbal and nonverbal) messages. Not only does this promote trust between the parties, but it also reduces the possibility of misunderstandings:

In sharing information and in making sure that people understand the dynamic behind that you really HAVE to have this face-to-face and really look into somebody's face to understand what their expectations are of this piece of paper because they could be completely different from your understandings and your expectations of what's on that piece of paper. It all comes down to the different filters that we all learned in absorbing information and in dealing with information.

Advertising

In this sense, face-to-face interaction is beneficial in all types of sales relationships. In adverse relationships, both parties can obtain a good sense of the reliability of the other's statements, and they can adopt their own negotiation strategies according to the multi-channel feedback they receive. In relationships that transcend the 'business only' interaction, face to face, more than any other communication medium, allows the interacting parties to create a shared communication space. Such a 'common language' not only promotes mutual understanding, but it also creates a sense of familiarity and belonging and thus increases the cohesion between client and sales person.²⁶

Through face-to-face contact, mutual understanding is also enhanced in a more general respect. Knowledge of the other can be gathered more conveniently in face-to-face conversation than in any other mode. Experienced sales people know that a face-to-face conversation leads more easily into non-business related subjects than for example a telephone conversation. Simple stimuli in the environment can serve as a shared frame of reference that give rise to conversations about personal issues:

Q: What's the difference between the telephone and going down?

A: I think it just operates better. Also people are less inclined to say no face to face than over the phone. But that's not really the reason. The reason is so that I will get to know the business much better. And also, you would talk about - I want to talk to you about the annual report, so we talk about the annual report and we end up

²⁶ Krauss and Fussell (1991) found similar effects in team work interaction; a common knowledge base and language frequently determines informal group membership in organisations.

talking about the tape recorder as well [both are the only objects on the table]. And a football match last night, so I get to know you better. And we are back to the relationship again.

Pharmaceutical wholesale

From the point of view of knowledge development, face-to-face interaction is a unique wellspring of mutual knowledge. In Michael Polanyi's (1958/1974) terms, the amount of information that is captured through 'subsidiary awareness', that is implicit understanding from the other's body language, gestures and facial expressions, largely exceeds the knowledge gathered through 'focal awareness' in any situation where we have physical contact with the object to be known. Accordingly, if a sales person intends to obtain as rounded a picture of her clients as possible, she has to see them *in corpore*. Through the multi-faceted information it conveys about the other, face-to-face communication also helps the buyer to assess the seller as a 'real' person rather than as a sales stereotype. It thus creates the basis of a 'real' relationship between 'real' people instead of the enactment of standard sales scripts or preconceived roles.

It is important to note that face to face selling does not have to result in a personal relationship between buyer and seller. If one or both parties are resolute to abide by the standard sales script, it makes little difference from a relational point of view whether the motions are carried out on the phone or face to face. Even in such a set-up, face to face still has an advantage over other media because both parties can adopt their influencing strategies on the basis of the multi-channel feedback they receive from their counterpart. Goffman (1969) provides a vivid description of such 'expression games' in adversarial relationships.

10.1.2 *When is it necessary?*

Sales people operating in the cultivated relationship mode are aware that face-to-face interaction is a very important step in the relationship building process. The first meeting in particular seems to be crucial for the success of further interaction:

A: So I had these expectations but also just when I met the individuals. You can't prejudge a client until you sit down with your face-to-face contact and feel them out and feel what they expect and what they want in terms of a relationship and then live by that.

Q: Feel them out – so it's a feeling that you develop for the customer?

A: Very much because in working in an agency there is no menu of services that you are providing, well there is one but that's on a very cold level. And what the client expects from the relationship, even when looking at them will change what the agency is offering. So you do need to make that connection and try to understand what he expects – does this client expect me to call him every day, does he expect me to hold his hand going into meetings, does he expect the agency to write his presentations for him, on a very basic level. Or does this client just want the agency for one project and then he wants us to go away and doesn't want to hear from us until he is ready to call us again. If you don't understand the fundamentals of that you can jeopardise the relationship before it even starts. So the first time meeting your client point of contact is crucial for the relationship and for determining the way the relationship will go from a personal point of view and from an agency-client point of view as well.

Q: And that should be done face to face?

A: Ideally it should be done face to face. In the worst case it should be done on the telephone. Having said that the first time that you meet a client should be face to face. The first interaction should be face to face.

Advertising

The first face-to-face meeting, as described in this quote, lays the foundations of the client-seller relationship: it aligns the participants' expectations of the personal and the business dimensions of the interaction. It is also a crucial moment in terms of the 'chemistry' between the parties – one respondent told the interviewer that she 'hit it off with a client straight away' when she first met him in person.

Later on in the relationship, face-to-face is the chosen means for many sales people to keep in touch with their clients:

Q: How often would you see your customers face to face?

A: Once a month, at least. At least. Everyone. And that is a requirement on the business. We have agreed that that we will NEVER let a four-week period go past without seeing everyone of our customers.

Q: Is that about maintaining relationships?

A: Yep. And making sure that they don't get dissatisfied with the service we have. And that there is an opportunity to ensure that they are comfortable with the business. Cause a lot of people don't complain about things. They don't say that they are not happy with the service, so you have to ask them on a lot of occasions.

Pharmaceutical wholesale

This lady knows that the only way to estimate the real level of the customers' satisfaction with her services is to go and see them on a regular basis. It seems that in general problems are more easily discussed if the parties share a physical space than over the phone. Many sales people make a point of going out to the client as soon as they sense difficulties in the relationship. In a very utilitarian sense, they are also conscious that the effort of going to see a customer makes a good impression:

Q: Of the main 10 or 15 brokers, would you know them face to face?

A: I would. Some of the largest brokers have 60 or 70, even up to 400 people. So I would know most of the sales guys in there but probably not all of them face to face. Of course I have been working in the industry now for 13 years, so I have known these people anyway from previous roles that I have had. But I do make a point of meeting them face to face if I can.

Q: Why is that so important?

A: It builds a stronger relationship if you can see them and if you know the face behind the phone, that makes a big difference. It also makes it easier to deal with them on the phone at a later stage when you can put a face behind the voice on the phone. I think it helps cement the relationship that you would take time out and visit these people, so that they can see that it is important to you to spend time with them as well.

Financial services

The above quote sums up the main arguments why physical contact is central in building a relationship with the client. For one, it allows both parties to put a personal touch on the business interaction, which in turn adds credibility to the organisation, facilitates a personal relationship between buyer and seller and promotes loyalty. Second, it conveys a feeling of concern for the client's welfare on the part of the sales person, which again promotes the personal as well as the business aspects of the relationship. Third, it enables the sales person to obtain a more 'rounded' picture of a buyer than verbal contact only. Thus, maintaining regular face-to-face contact is a key

strategy for cultivating the 'In-Between'. Frequently, it coincides with another cultivation strategy that is widely used in personal selling: socialising with clients.

10.2 The social event

It is commonly known that socialising with the client is an integral part of most sales professionals' existence. Even though the emphasis put on the social event differs depending on the industry (media and communications are said to be notorious for the incidence of client lunches), it seems standard practice in all sectors to entertain clients on a regular basis. There is a certain expectation on the individual organisation and the sales people involved to bring the clients out for social occasions:

But also if you don't socialise, if you don't do that sort of thing it would be perceived very, very badly. Because everybody else does it. What we have tried to do over the last few years is to be inventive and different in the way we spend money rather than doing all the things that all the other people do, the other insurance companies. But entertainment is actually unfortunately critical, it shouldn't be really. But it IS extremely important. Like we have a relationship management budget from which we entertain the people. But you have to do that. Particularly if you get a big scheme from somebody you have got to take them out. You have to recognise it. That's the way business is done, you know.

Financial services

If socialising is 'the way business is done', firms must consider it an effective means for client interaction. When asked about their experience of social events, most interviewees endorse it as a very beneficial cultivation tool; it however depends on the nature of their client relationships how profitable it is considered to be.

10.2.1 Socialising in the 'business only' relationship mode

Sales people working in the 'business only' mode are the ones who most readily discount the benefits of social outings for selling success. It transpires from the initial quote that such professionals socialise with their clients because it is considered the industry standard, but they do not expect a high level of return from it:

Q: Talking about rugby - do you take your customers out?

A: Things like golf outings occasionally. Although the problem is that they have

become - most of the buyers are invited to so many golf outings they would never get any work done if they went to every one of them. You would also tend to take them on football games, but the basis of this would be the turnover or somebody who is a potentially new customer. But by and large in our business there is not an awful lot of entertainment, because it tends to be very expensive and not very efficient. We looked at the idea of taking a couple of tickets at Croke Park, but it's quite expensive and then the question of who you would give it to and if you should buy 10 tickets or 100. But there isn't really a tradition of these things in our business [...]. The common denominator in our business would be the golf outing. And the advantage of that is that you have somebody's undivided attention for about four hours, and there is a good degree of camaraderie in that, but not much beyond that really.

Hardware

Even if no huge emphasis is laid on the social outing, it can assist the seller's objectives to 'have somebody's undivided attention for four hours', as the respondent above mentioned. Many sales people who are compelled to engage in social events use it with a view to developing the business at these occasions. In some instances, the event can be directly combined with the sales effort: one interviewee confirmed that the saying 'a lot of business is done on the golf course' was fairly close to the truth in his own industry sector. Even if the social outing does not result in a direct sale, it can represent a forum to discuss business ideas that are realised once both parties are back in the office. At a minimum, a social event can be apodeictic: it can predispose the buyer to be more receptive to future sales overtures. The effort and resources spent on the social event also help to build a positive brand image:

Q: Talking about Christmas dinners. Is it important to have social outings with the customers?

A: I don't know if it is. I don't know how much is gained from it. I wouldn't put a huge emphasis on it. From my point of view, if I was meeting people, I was down at a presentation in Wexford on Friday, we would incorporate lunch. Or if we do a presentation here, we might have a lovely dinner, we get caterers in, or we might go off and have a pint afterwards. But it would very much be incorporated with the business element to it. Now in a lot of cases you do get involved in social outings, a golf outing, a day at the races, and I think it is important to support the company as a brand. A lot of the time we forget that * is a brand that we have to market as well and we have to sell. And through these corporate events you can build a certain image and a certain profile, and I do think it is important, but I don't think it's absolutely everything.

Cosmetics

In this mode, the social outing is primarily used to impress clients and to convey a positive corporate profile. It represents a forum to discuss the present business activities and it opens up vistas for future business development. Sometimes, the social event can also act as a catalyst for customer complaints in relation to the service delivery. It appears that certain clients are more comfortable airing their grievances in a social environment than in the office where complaints may immediately take on an 'official' aura. In this regard, socialising allows the sales person to keep her service quality up to the standard necessary to sustain a satisfactory working relationship with the client.

As sales people in 'business only' relationships are not willing or able to engage in extensive interpersonal contact with the client, relationship building is not considered a primary objective of the social event. On the contrary, sales people are aware that they are dealing with promiscuous clients who could just as easily be taken out and impressed by competitors:

Q: Do you think it's important?

A: No, I don't, not particularly. It's not hugely important. It's a help but if an individual is going to be impressed by you taking him out to a rugby match, he is going to be increasingly impressed by something else. So at the end of the day it comes down to the amount of clarity in doing business.

Dairy Products

Some of the respondents working in a 'business only' mode reject client socialising on the grounds that it precludes a level playing field for competition. These people have ethical concerns over what they perceive as a potential abuse of the social outing. As they try to maintain a client relationship ruled by the adage of 'no favours sought and none given', taking the client out could amount to an attempt to bribe him or to distract him from a weakness in the service delivery.

In short, in 'business only' interactions the client should not be tied into the relationship by lunches or golf outings, but only by solid service and good quality offers.

10.2.2 Socialising in the cultivated relationship mode

Contrary to the scenario discussed above, the social event is an indispensable relationship building tool for the majority of respondents working in the cultivated relationship mode. With regard to new accounts in particular the social occasion is used as an icebreaker to mark the beginning of the cultivated relationship:

Q: Would you take your clients out to social occasions, lunches, dinners?

A: Yes, we try to do this as much as we can, because it is a great way of breaking down the barriers. There is nothing like having a few drinks with somebody and having a laugh with him. It inevitably improves relationships, even if it is only for a short time. Straight away, you see it in the client the next day: you take him out to lunch today, you see it in the way he behaves tomorrow. On the phone, in person, everything. It is so much more you are pals, working with you as opposed to against you. You can see a complete change in attitude.

Advertising

Even hostile clients who are set to engage in an adversarial relationship with the sales person can be disarmed by a well-orchestrated social outing and lured into a cultivated relationship with the seller:

So we decided that where we had come from, we had developed a slight relationship with some people in there, but there was one guy, he wasn't just an ordinary guy sitting around the table, he was the main statistics guy from the UK, so he was there ready to tear us to strips. ...So we decided because there were a few new people in there that we would bring them out to dinner. And we brought them out for dinner and we said to ourselves the one thing we would do would be not a single word about business. Even if they start talking about business we would tell them to f*** off. We're not here to talk about business, we are having a laugh. And that's what we did. We went to a place called George's Bistro, great place, guy sitting at the piano and playing music, loads of wine, stand on the table and sing if you want to, you do what you want, they don't mind, cool place, not terribly expensive. So we brought them there, there was 14 of them and 5 of us, a group of 19 people sitting at a big long table and we had an absolute ball and everyone got pissed. And that guy had come out knowing that it was a social evening and at first he was quiet but as the evening went on, he loosened up and he was in tatters at the end of the evening and he had a great laugh and he actually didn't make it to work the next day, and on the Monday, that was on the Thursday, we got an email from him saying: brilliant night, really enjoyed it. And it broke the ice with him, because he had come, he had met us twice and neither time had he talked business, both times had been all about having a bit of a laugh. And we knew what a fair rate was, and we weren't looking to kill them on it, we knew what a fair rate was, and we had now gone from a situation where we would have sat with him and if we had negotiated first thing he would have been prepared to go hammer and thong. Whack and a [wait], no inbetween. But by the time we had met him the third time, having met him twice where there was no figures thrown around we now had him as: Jesus, what a great night, remember you singing that song,

Jesus. And it was like: ja, ja, ja, and then we got down to the business: come on, that's not really fair - what do you mean, it's not fair? And it was more easy going, the negotiation was more easy going, more relaxed, and we came to an agreement, and the client was on air a week later. [...]And I have met him since then at functions and the guy is arms around me: How is it going? Alright.

Media

According to this interviewee and many others, the social occasion can move a relationship from 'stage zero' to 'stage one'. It represents a shortcut for the more lengthy relationship building effort inside the business environment and it muffles any aggressiveness on the part of the buyer. It is noteworthy that a deliberate avoidance of business issues during the social outing seems to be a common tactic if the sales person uses it to bring out the interpersonal dimension of the relationship. As seen in chapter 7.2, the switch of communicative register can thus be used to signal a switch in the relational mode.

Socialising is a face-to-face contact and thus boasts all the advantages of a multi-channel interaction. In addition, it takes place in a space outside the business environment where the respective role sets are less narrowly defined and the setting stimulates non-business related communication. More effectively than face-to-face interaction in the business environment, the social outing allows the sales person to portray herself as an individual rather than yet another sales person calling into a buyer's office:

A: If you bring a customer whether it is to see an instrument somewhere or go for dinner with him, that breaks down barriers. Because they see you as an individual and not just as a sales person.

Q: And again that would help the personal relationship?

A: Exactly.

Q: Would you get to know your customers at a dinner in a different light than normally?

A: Yes, and I would hope that they would see me in a different light too. There is obviously a level that you would go, I still think that you have to maintain some distance in order to be truly successful and to be seen - ultimately you are a sales person and they are the customer. I don't want to know all the details about somebody's life, but some of it, just to show that you are a normal individual and for them to show the same thing to you. Hopefully they get to see you as a friend

and not as somebody who would try to get the better of you all the time.

Pharmaceutical wholesale

This respondent is aware that social outings can move the relationship from a potentially hostile situation to a co-operative one. However, he is also very alert to the possibility that the social contact could upset the very fragile balance between the interpersonal and the business dimensions in the cultivated relationship. For sales professionals like him who try to maintain such a twin track, the social event has to be a tightly controlled affair. As a result, many sales people perceive it as a continuation of the business interaction in a different environment where they have to be attentive to their ultimate objectives at all times:

Q: You met him over lunch - do you think it helps to meet people outside their work environment?

A: It certainly does, yes. You nearly have to do it. We organise a lot of golf outings for these guys, so we might have a golf outing once or twice a year and you would meet him at that, which is sort of out of work, but at the same time which is sort of work because it's not strictly formal, it's sort of tied into work and it would be an * sponsored event, so you would have to be part of * for the day. But there is a lot of stuff that is going on, people would be at rugby matches or soccer matches or gaelic matches and they'd go out to it, and they tend to relax in this sort of environment. If you are the sponsor of the event you have to treat it a bit like work. Not exactly like work, because it's more an entertainment thing, and sometimes you have to get drunk with them as well, that would happen as well.

Financial Services

In this quote, the idea that a sales person *has* to get drunk shows that the climate of social outings is mostly dictated by client wants and business objectives. Thus, rather than representing genuine 'time out' for both participants, the social event is primarily used as a strategic weapon to break down interpersonal barriers. The cultivating technique that is socialising is exactly this: a technique to establish or maintain a cultivated relationship in which both parties are comfortable with the other person, but in which the strategic agendas ultimately dictate appropriate behaviours.

At a less tactical level, social outings increase mutual understanding between the parties and thus pave the way for a truly genuine relationship:

You talk on the phone, you do get an intimation of what they are like. But it's usually when they are out - for example S., I never knew that he had an interest in golf, but then we were out in the pub and he spent the whole night talking about him playing golf. And I wasn't aware that he is interested in that at all. One night I was out with J. and she just mentioned that they were doing their house up. She was in late one morning and I tried to ring her and I couldn't figure out why, but she was just organising stuff for the house and doing the house up and it was taking up an awful lot of her time. That's things like that would have turned out. They weren't radical things, but they did - you say 'oh, now that makes sense, now I understand'. So you find out background information like that. And they did also find out background things about me, as to why I am doing certain things or why I am not doing this or doing that. So the things that you don't understand, you fill in some of the gaps.

Financial services

If social outings permit to fill in gaps in the mutual understanding between buyer and seller, the business interaction will improve as a result. At the same time, a deeper insight into the respective personalities generates a feeling of belonging and thus creates an interpersonal realm that is unique to the participants, a realm situated at a much deeper level than the programmed closeness of corporate entertainment.

Whether programmed closeness or closeness through mutual understanding, socialising seems to cement the cultivated relationship and create a buffer zone in times of conflict:

And it makes life easier, it gets you through difficult situations easier if you have met somebody at a different level or in a non-business sense. It's easier to deal with, certainly it's harder for somebody to be mad at you or to be annoyed with you if you've been out to dinner the night before, or if you were at a show last week or if you played golf. They might be annoyed, but at least it might be controlled fury rather than uncontrolled fury. And it's easier to deal with controlled fury in some ways.

Financial services

The social outing, by promoting the interpersonal aspects of the relationship, acts as insurance for the sales person. It creates a shared stock of experience that can be used as a neutral platform if the business interaction hits rough seas. In the cultivated relationship mode, the social outing is a tool that is used in a highly deliberate fashion to break down barriers and to reduce a client's resistance to a relationship with the seller.

The fact that many sales people working in this mode carry out post-mortems into their socialising efforts underlines its strategic role in the relationship building endeavour.²⁷

10.2.3 Socialising in the 'genuine' relationship mode

If both parties are willing to establish a level of interaction that is characterised by a high level of trust, honesty and mutual friendship, the social event can be an important mechanism to progress from a cultivated relationship to a 'genuine' relationship:

Q: That kind of really strong relationship, would you get at that purely through quality work, or is there a personal level involved as well? That trust that you just described?

A: I would say how you get inside their mind first of all is through quality work, but 100 per cent, absolute 100 per cent I am certain that what gets you over to the next level is down to the personal relationship, the trust, the individual, how do they bond with you, do they like you, do they get on with you. And that's down to - I found you got usually over, you can make the outside of the fence with them where they trust you, but they haven't let you into the inner circle of minds. Where you get inside that is usually being away on a trip, abroad when you brought them somewhere, that's where you break down barriers, you share a room with a guy, you get drunk with them.

Real estate

At this stage of the relationship building effort, the most crucial quality is to convey a sense of complete openness and friendship to the other person. These variables require a profound knowledge of the relationship participant. Social outings represent an ideal way of discovering what clients are really like and of letting them see the real self behind the sales person's mask as well:

I find that the ones where I REALLY get inside their heads, the best time to meet them is not Monday to Friday, it's Saturday, that's when their mind is clearest. Those are the people I would know, I almost make a point out of never meeting them in an office situation, I'd meet them at their house, or meet them somewhere just outside the construction environment. And that's important to always keep it that way. I try to do it on Saturdays, so they see what you are all about as well, you are not in a suit, you are in your own clothes, they see what you like, certainly to

²⁷ It is noteworthy that Bigus' (1972) rich account of milkmen's cultivation strategies draws the same conclusion: "the most crucial activities in a budding relationship were conversations and accepting an offer for a cup of coffee. They both tended to promote relationships. [...] When the relationship reached this stage, it was considered a successful one" (p. 153-154).

get to that level you can't just rely on picking up the phone and having met up with them in the office and inviting them for lunch, you never get to that level of relationship by just relying on that. Because there's gonna be somebody else - you'll know what they are like when they have lunch, you'll know what they are like in an office situation, but you won't be able to really judge them because you don't know what they are really like till you see them in a pair of jeans and a T-shirt sitting in a pub in Germany and get talking about their family and what their motivations are, that's where you start finding out what a client is like.

Real estate

If a 'genuine' relationship inside or outside the sales environment is based on knowing as much as possible about the other person, the above quote certainly makes clear how such a rounded picture of the other can be obtained. The casual clothing mentioned in the above quote not only reveals personal characteristics of the other party, but also signals that the relationship has moved beyond the constraints of the established role sets of buyer and seller. Meeting the client outside a business context in a 'private capacity' can highlight that the relationship involves more than just an economic dimension. Another way to signal that the interpersonal dimension has taken precedence over the business aspect is to include the private environment of the participants in the social event. Many sales people who aim to develop 'genuine' relationships with their clients make sure to invite the clients' and their own partners along to the social outing. If, by chance, the partners strike a friendship as well, the interpersonal aspect of the relationship is even more highlighted.

For a similar reason, some sales people make a point of taking the client out on a personal rather than a company budget:

Q: How do you establish that kind of trust in a person?

A: Go for pints with them [laughs]. Have drinks until four in the morning, stay over in their houses, yeah, ah, just go down and have good craic down there.

Q: Really, that's how you establish trust?

A: I mean they [clients he was talking about earlier in the interview] were nice people and they were really good fun and there were about 10 or 12 of them at the time and we would just go out on the tear and go to discos, big gang, and that was it, so they were just easy-going people and they were good fun. When five o'clock comes that's work finished, you may work in there later, but officially work is finished and you just go off and you're working away you can say what you want you can tell people what you think of the place, you can even say: Look this is a

dump. And they'll probably tell you this is a dump, and down in whatever hotel, you're going out or what are you doing? And if they're going out, they're going out, and I say: look I meet you down there for a few pints, and you don't pay them off, that's what I don't like, I don't like going down entertaining people. If you entertain them on a company budget they know it and you know it, it's company entertainment and there's a reason for it. If you put your hand in your own pocket, and you go out and you're having a drink until two in the morning with someone and you say: look I buy you a pint and they buy you one back, then you KNOW there is a relationship, more a friendship, whereas if you go down and you are producing your company credit card and say: right, we have a meal here and blabla, it's sterile, there is a bottom line to it, the company are paying for this friendship or this outside of the work hours. And I don't say they don't appreciate it, as a group company entertainment is a great idea. On a one-to-one I don't think it works. I think large groups being entertained by a company they appreciate it because they can hide in the masses, they don't see themselves as being bought, they're not individuals. They're in a group so collectively there's a lot of sharing of responsibility if there's trouble later on. Whereas if you are going out with someone, you are bringing them out for a night out, and they know and you know that the company are paying for it, they feel that you are gonna [end up] asking for something, you are gonna ask them for something later on, a budget that they may prefer to give to a competitor with a better product, and they may be in a position where they can't say no to you. And then you don't really have a relationship. In a real relationship people will say no. It doesn't work, give up, go away, if there is a problem, sort it out.

Measuring instruments

As this vignette illustrates, the strategic agenda has disappeared in a 'real' relationship. Both parties see their interaction primarily as a friendship that stands firm independently from the business interactions. For the social outing, this means that the 'bottom line' must not be a concern for the sales person. Contrary to the above cases where the strategic agenda prevails at all times, the social event in this situation is exclusively geared toward strengthening the interpersonal relationship. Potential effects on the business dealings are secondary spin-offs of the social interaction; if they come into focus during the social outing, they may even risk sully the interpersonal relationship between the buyer and the seller. As a consequence, 'genuine' relationship sellers often seem to enjoy the social occasion; because it is not considered part of the selling process, they do not have to adhere to role prescriptions to the same extent as sales people operating in the other two relational modes.

In summary, socialising is used as a cultivation strategy in all three types of client relationships. In the 'business only' relationship, it is employed to foster the business development. In the cultivated relationship, it is used to enhance the business interaction while at the same time breaking down personal barriers. In the 'genuine' relationship, the social event is used to emphasise that the friendship between buyer and seller exists independent of the business interaction. Thus, in a similar manner to the management of face-to-face interaction with clients, sales people use the social event in a purposeful fashion to advance their specific relational goals.

10.3 Summing up cultivating strategies

Cultivating strategies, as Bigus (1972) points out, are always means to an end. Ultimately, their function is to bring the inherently asymmetrical buyer-seller relationship closer to a state of symmetry through the enhancement of the business or the interpersonal aspects or both dimensions at the same time. Cultivating techniques are therefore levelling mechanisms that are employed primarily to a sales person's benefit. However, the sales person has to keep in mind that the deployment of most cultivation strategies is dependent on the client's penchants and organisational policies; the client is ultimately the person who controls the mechanics of the buyer-seller interaction. Many firms are currently introducing policies that prevent purchasing agents from accepting any favours from suppliers or getting too close to them; other buyers choose to remain 'unbiased' by individual suppliers independent of organisational policies.

It is thanks to a sales person's customer knowledge that she will be able to determine which cultivation strategy can be used at what stages in the relationship building process. At this point, a sales person's knowledge of the individual client's personality and their political environment is combined with her knowledge of the relationship in

order to devise the most promising approach for cultivating a particular relationship. At the same time, a sales person's knowledge of the customer *and* of their individual relationship will be deepened by social interaction and by face-to-face contact. Thus, the more a sales person cultivates a relationship, the more she is able to deepen her knowledge of the other person and in turn fine-tune her approach in the future. Customer as well as relational knowledge will grow deeper to a point where the mechanics of the interaction are almost automatically regulated by the sales person's stock of knowledge; a finding that corroborates Bigus' (1972, p. 141) suggestion that "cultivating was so much a part of the drivers' jobs that it was generally performed almost automatically". Thus, cultivating knowledge is mostly tacit knowledge; it is part of a sales person's know-how that develops through experience and immersion in the client interaction.

11 The context of sales people's relational practices

The previous chapters discussed the relational realm of 'You, Me and the In-Between', in which sales people get to know their clients and relate to them in a meaningful way, as well as mechanisms that allow a sales professional to expand this realm. It is important to notice that such a relational realm does not develop in a vacuum; instead, it is situated in a particular context that influences its evolution and shape. In the case of the sales person-client interaction, the immediate context is represented by the other members of the sales organisation as well as the technological and physical infrastructure that underlies the sales effort. Both issues will be discussed in this chapter.

11.1 The role of the team in relational selling

In recent years, sales researchers have emphasised the increased importance of the sales team for relationship selling efforts (Ingram 1996; Boles, Barksdale and Johnson 1997; Marshall, Moncrief and Lask 1999; Weitz and Bradford 1999). In these studies, the sales professional is characterised as a relationship manager who directs the efforts of a team of colleagues to achieve the best possible outcome for the client. Team selling has become crucial in many business-to-business environments not only due to the complexity of the selling task (Jackson Jr. et al. 1999), but also because of the desire of firms to focus their sales efforts on client requirements through dedicated client management. The two predominant team selling models appear to be the transaction-oriented selling centre model (Moon and Gupta 1997) and the relationship-oriented key account or client management model (Wong 1998). In both scenarios, the sales person acts as a catalyst for the interaction between the client and the selling firms. She is the person who channels the communication between the firms, who co-ordinates the team

effort on the supplier side and who assures a product and service delivery “on time, on design, and on cost” (Boles, Johnston and Gardner 1999, p. 265). Judging from the literature, the main difference between the two approaches to team selling seems to lie in the strategic orientation of the team endeavour. In the selling centre approach, the sales person draws upon a temporary team with a view to accomplishing transactional objectives; in the key account management approach, resources are dedicated to certain accounts for longer periods of time in order to support the account manager’s relationship building efforts.

Judging from the empirical investigation carried out for this study, the client manager is frequently the sole interface of the supplier organisation with the buying firm even when several individuals are involved in the selling task. Of all the organisations participating in this research, only the financial services firm provides additional interfaces to their clients. In this institution, an account manager can involve any one of the product managers in the client interaction if their specialist expertise is required:

Q: Would you also draw other people from * into your dealings with this client?

A: Servicing people sometimes.

Q: Product managers as well?

A: Product managers definitely, yeah definitely.

Q: Would you also bring them out to see a client?

A: Oh yeah, definitely, definitely. Which is very important.

Q: Why?

A: Say for instance the product managers. They work in partnership with us, the marketing people work in partnership with us on the products. Each of the product managers has a sales target as well. So it's important that both of us deliver on it. The product managers, when they meet clients it definitely gives a good impression. What tends to happen is that if I am out of the office and somebody from that organisation rings and I am not there, they can actually talk to the product managers. And they are entitled to do that. And the product manager can help them in most cases as well as I could. The product manager knows exactly what's coming along as well as I do with that particular client or that particular product. So it's very important. It does actually create a very good impression as well if you introduce more people to the client than just yourself. And on the servicing side, I actually haven't done it enough myself, but if you introduce people from the servicing side to the client it does actually take the pressure off myself. And probably delegation sort of helps. The client has more people to talk to. What they don't want is a whole list of people. Loads of different people. They probably want three or four contacts at most.

Financial services

While this sales manager perceives it as beneficial for himself as well as for the customer to have several points of contact in the supplier company, many other respondents fear that a number of different points of contact for the client may lead to a lack of control and inconsistent communication:

Q: Would you also set up direct contact between creatives and clients?

A: No, definitely not. It goes out of control then. We coordinate everything in the recruitment division, media, production and creatives. So if clients were to ring directly into the creatives and tell them that they want to change the size, unless we were able to control that we wouldn't be able to change the media booking. So we need to be in control of knowing what stage everything is at, but we keep clients informed on what stage everything is at. No, that would be a nightmare if they dealt directly with creatives. Same with production. The process is the less people are involved the better. And I am sure production people would go mad if they were getting phone calls from every single client. And the level of mistakes is cut out by you having full responsibility and control over it.

Advertising

The fear of mixed messages in client communications through team involvement seems widespread in the companies studied. In most of these firms, the predominant sales structure appears to consist of a single interface represented by the area or account manager and an internal backup of expertise at her disposal. This approach recognises the complexity involved in most business-to-business deals as well as the importance of consistency of communication. It also promotes the development of an intimate relationship between the client manager and the buyer by increasing contact frequency and personalisation of the business interaction. From a client knowledge and relational perspective, it means that the sales team becomes involved with the client mainly on an indirect level and that the client manager is the main relationship 'owner'. Nevertheless, the team performs a number of vital auxiliary functions for the sales professional confronting the client, as this section will illustrate.

11.1.1 The team as a psychological crutch

As stated before, many respondents are acutely aware of the fact that the sales existence is a very lonely one. In the typical sales dyad, the sales professional faces the task of

developing her client relationships in an unobserved and subjective environment that is devoid of immediate feedback from outside. Even though the sales manager generally provides a certain amount of professional and moral backup, it seems that in many cases the sales team acts as a vital reference point for the 'lone' sales person and as a support network on a psychological as much as on an operational level.

On an operational level, opinions of fellow sales reps are frequently called for when a business deal is negotiated or when interpersonal problems arise with a client. In particular, members of the sales team who have dealings with a client in other product or service areas are often solicited for advice if a client manager runs into difficulties with any particular client:

Q: Would you talk about your clients with other account managers?

A: Yes, definitely.

Q: So they would have a certain acquaintance with them?

A: Yeah, they would have an idea. I check back with my immediate boss, update him on the meetings that have happened, on various things. I suppose he would know a lot of the people I deal with. And he would know a lot of the personality types I suppose I deal with. I mean we'd have weekly meetings on technical stuff and sales prospects and all that, but during that discussion we would talk about the various brokers that we deal with as well.

Q: Is that important?

A: It helps, it helps me. Because if you have a completely different opinion than somebody it helps to actually talk to someone about it. Get a different perspective on it, so maybe you feel terrible from a bad meeting and you come back and talk to somebody about it and they say: Ah, take this approach or that approach, go back and try again, so to say. It certainly helps. I mean the worst thing you could do is to keep it to yourself, you probably end up a nervous wreck I'd say.

Financial services

It already transpires from this excerpt that the sales manager and the sales team not only act as a source of expertise for the business aspects of the client interaction, but more crucially as a psychological support structure for the sales person who stands alone in front of the client:

Because it is a lonely existence being a sales rep. You go off and you are on your own on the road trying to do the best you can, and I think it's good to have the support from people around you and the interaction.

Pharmaceutical wholesale

To obtain such psychological reinforcement from others, a team of sales people often creates semi-formal or informal fora where they can discuss their client dealings in a casual atmosphere. This researcher witnessed the significance of such a forum while accompanying a number of confectionery sales representatives on their daily sales journeys. Each of these sales reps have their own territory in the greater Dublin area, which means that accounts do not overlap and sales reps usually do not know their colleagues' customers first-hand. They nonetheless make a point of meeting up for lunch every day in a pub that is accessible to all of the reps, where they discuss their activities and client dealings, vent their anger over 'unreasonable' customer demands or exchange information on competitor activities. The regularity of this informal meeting and the positive comments made on it by the sales people interviewed indicate how much importance the sales person attaches to regular contact with colleagues for their psychological wellbeing. This finding reflects Bigus' (1972) results: in his study, Bigus highlights the significance of informal 'rap sessions' for sharing client experiences and learning cultivating tactics. It appears that individuals working in closed dyadic situations intuitively resort to their peers for moral and professional support. The significance of such peer support even in geographically dispersed sales teams cannot be overestimated.

11.1.2 The team as a shared frame

From an organisational perspective, a regular informal team encounter such as the confectionery lunch recounted above serves another purpose: it acts as a forum where a common language, frame of reference and worldview can be created. As Dubinsky et al. (1986) point out, sales people are physically, socially and psychologically separated from other staff personnel, which makes sales people's socialisation into the company culture highly problematic. For many sales representatives, their sales team and sales

manager provide the only opportunity to develop like-mindedness and a feeling of belonging to an organisational network. From this perspective, the sales team represents not only a psychological support structure, but also a home base that provides a shared mental frame and a common language:

Q: [Taking up an analogy that the respondent used earlier in the interview] But would Spok understand what Captain Kirk puts into his log?

A: You know how he does? The way they do it is that they both went to the same school. They both went to the same officer training school so they both have their own stylised way, jargon, so I wouldn't understand yours, coming from a completely different context. But they are both members of the same team, that's where it's important. The accounts department wouldn't have a clue what I was going on about, but then this type of information they don't need. But my colleagues in my own circle would, for no other reason than that members of the same team tend to speak the same way. The colour of their language may be different, but they use the same jargon, they use the same phrases, just like Captain Kirk's star date, and, ok, Spok - the type of logical language - the colour of it may be different, but the sense of it Captain Kirk wouldn't have any difficulties knowing what he is on about.

Q: Through their personal interactions?

A: Yes, and their training, and the fact that they all go to the same meetings and they have their multiple sales meetings and they go to the same training courses, product training courses, sales training courses, they become more and more like one another. It is like in any group of people, in any company. You easily see it when you move from one company to another. The company has a way of doing it, culture is one word for it, they have a way of doing that makes people - it doesn't actually make people the same because people are always unique and different, but makes them behave in a similar way. I've had customers saying to me on occasion 'You'd always know a sales guy from company X' and ask them to define what it is, and often they can't put their finger on it. But there are. And it just comes from, you end up conforming to a certain mode of behaviour.

Q: But there is the issue that sales people are down the country, geographically separated, without a huge amount of social contact to each other.

A: I take your point up to a certain point. Even there, by the very nature of the sales person they tend, they don't sit beside one another, they tend not to be in close proximity to one another every single day. You'll find that similarities, the sameness - that sounds very bland, it is not as sinister as that - but that, how should I describe it, shorthand, language, way of talking, way of behaving, even in a team that is scattered, they will all still be different, they are all individuals, when they are confined to summarise the three key points in a meeting with a buyer in a field that has only room for 150 characters, you'll find that there will be similarities in the way they do it. Now if you go to two different teams, that won't necessarily be the case. I don't know how accurate that is, but I think I've seen it happen that way.

Telecommunications

If the sales team provides a learning environment and a mental frame for the learning experience at the same time, it can be described as a 'community of practice' in Lave and Wenger's (1991) sense. More than to her company, the individual sales person

seems to develop a sense of 'belonging' to her sales team. As an example, several sales reps from the 'North Dublin' confectionery team shadowed by the researcher repeatedly made a point of distancing themselves from the 'South Dublin' sales team. One sales rep commented on a cross-divisional sales competition with the words: 'Of course I'd like to get it, but it doesn't really matter who gets it, as long as it's one of our lads'. Thus, the individual sales person, facing her clients on her own throughout her working day, creates herself a 'family' in the sales team and thus obtains a psychological support structure and a peer group with a common language at the same time.

11.1.3 The team as a knowledge repository

From a knowledge management perspective, informal fora such as the lunch meeting described above represent an invaluable opportunity for sharing customer and relationship knowledge. For the confectionery manufacturer, the lunch restaurant takes on the role of what the Japanese call 'ba', that is a place or facility where individuals interact to exchange ideas and share knowledge (Nonaka and Konno 1998). As illustrated in chapter 4.6, Bennett (2001) shows that the institutionalisation of 'ba' in a sales context can play a significant role for the tacit-explicit-tacit knowledge spiral in a sales team. In particular, his results show that what Nonaka and Konno (1998) call 'originating ba', namely a space where face-to-face interaction allows for a transfer of tacit knowledge, helps to create redundancy of customer knowledge in the sales force. Indeed, this researcher's observation of sales teams' interactions at coffee breaks or social outings in a variety of firms suggests that these are the occasions where talk about customers is considered to be 'off the record' and thus personal knowledge is exchanged more freely. At these occasions, sales representatives seem to learn about the clients of other reps and their idiosyncrasies; they get to know the problems attached to some accounts and the best ways to resolve them. Through informal more than through

formal knowledge sharing processes, the sales team becomes a customer knowledge repository and cognition becomes ‘distributed’ in the sales organisation:²⁸

Q: Would there also be a lot of informal communication between yourselves and the account managers?

A: There actually would, yes. You would meet them in the canteen or you would meet them socially, and you would find out a lot of information. You wouldn’t find out a lot of information on personalities in a sales meeting, you get hard information on what sales or what prospects there are, but when you meet them informally, when you are just talking to somebody in the course of your work, you find out very quickly how well they are rated or how poorly they are rated and regarded. [...] Plus I suppose we got informal coffee breaks, that's the whole process of when people sit down and talk and share their ideas around. If you don't have that in an organisation then the poorer for it because how do you engender these communication channels formally? Once they are formal, they can be very rigid and people aren't as relaxed as when they are informal. The more informal communication people have the more willing they are to talk about work when they are not in work for example. A lot of my friends work in here and I would talk to them about work when we are not in work. It always gets back to work issues.

Financial services

The relevance that this respondent contributes to informal information sharing in his sales team ties in with the concept of customer knowledge of sales people as tacit and personal. If customer knowledge is created in the relationship between a sales person and a client, such knowledge can best be imparted to others in a highly unstructured context that allows for the use of metaphors, imagery and rich description (Baumard 1999).

The argument that informal, or more generally oral, modes of communication are more effective in sharing the ‘thick’ customer knowledge sales people hold seems to be equally true if it comes to the issue of sales reporting. Among the sales managers interviewed, meetings and oral debriefing sessions are generally seen to be more effective reporting tools than written media such as activity reports:

²⁸ Boland, Tenkasi and Te’eni (1996, p. 247) define distributed cognition as “the process whereby individuals who act autonomously within a decision domain make interpretations of their situation and exchange them with others with whom they have interdependencies so that each may act with an understanding of their own situation and that of others”.

Q: When I was here at the sales meeting, I noticed that you were asking the sales reps about the store managers and how they were getting on. Is that kind of feedback important for you?

A: Oh yes, very important. The more factual information we have coming back from the guys, the better. We get our reps to do a report every week and it has three sections, it has: our own activities, competitors' activities and it has instore-activities, and they fill this out every week, and there is a summary done and it is supposed to be spread around a number of people in the organisation. Now a lot of the information in that is rubbish, it's just trying to fill out space. Cause they sit at home on a Sunday night before coming in on a Monday morning and say: What the hell can I write on this? And I know because I did it myself. So instead of getting factual information of what is happening out there you get a load of hogwash. 'Sales are very good this week, Tesco promotion selling very well' – what's very good or very well? Instead of saying: This is the number of packs of Smarties that were sold this week in Tesco due to that promotion. In this store they sold five, in that store they sold seven. It's not very good. On the other side it is very hard if they do put anything concrete down to get a grasp of it. So to talk to them directly it is very useful. And I would not only talk to them at these meetings. I would also talk to them on the phone on a regular basis. So if they come on the phone to me on a regular basis, I would say: By the way how is this and that going? Feedback in total terms would be very important and one of the things that I don't do and that I should do a lot more is to get out with the reps, go to the stores with them. A) to see if the job is done right, but B) for them to be able to talk to me in the store, to say: Oh by the way... Because when they are sitting here, it's maybe three or four days since they were in the supermarket and they may have forgotten about a lot of things that were relevant at the time but don't seem so relevant now or have just left their head.

Confectionery

This National Account Manager is aware of the quality of 'soft' information that is exchanged orally rather than in writing, and he knows about the influence of the context on the richness of the information conveyed. Even though the information channels he utilises are primarily formal in nature, he uses them in a very conscious fashion to obtain as much contextual information as possible from the sales representatives. As with many other informants, he knows intuitively that only face to face meetings allow an organisation to create what Weick (1995, p. 187) calls 'requisite variety': multiple perspectives on a complex reality. Where personal knowledge has to be fitted into the narrow mould of standard reports if written channels are used, sales meetings offer the space for rich descriptions of the complex reality that is the customer and the customer relationship. Many sales managers assert that they would talk to their sales representatives on the phone or meet them in person to obtain information on clients

before they would request this kind of information in written reports. They are cognisant that the comparability of the (standardised) information is bought at the price of contextual richness:

Q: That's the hard facts, that's one thing. If we talk about softer information - I suppose they wouldn't, if they receive a call, they wouldn't put into the database: he's really pissed off with us, or whatever?

A: No, but I think they would wander over and tell you about it.

Q: So that would be exchanged verbally?

A: Yes. They'd say: Your man was on again, he is this that or jumping up and down screaming for this, there would always be a comment about it. We have certain clients that call in and every time they ring in they raise the roof. So after a while you know that that's just their style and that really it probably isn't as urgent as they scream it would. But then another client who rings in once in a blue moon and raises the roof you KNOW that is the one you have to react to.

Financial services

This episode gives an example of highly contextual information that would lose some of its value if recorded in a standardised form. Both the sales manager and the customer service people have enough (tacit) background knowledge about the individual customer that they can grasp the meaning of a particular episode with this customer and act appropriately. At the same time, they compare their understanding of the client every time they talk about a certain client, thus sharing and adapting their tacit customer knowledge. Verbal information exchange affords the flexibility to negotiate the meaning of information while it is being exchanged. Written information, separated from its sources and context, does not have the same flexibility:

Q: But what you were talking about, if you go out with them in the stores, you would get more than that, would you?

A: Yes, because I can interact with the feedback. Whereas if you are just getting feedback, you can't have any queries on it, you can't ask any questions about it. And it's second-hand. You are one point removed from the area of action. Whereas if you are in the store with the person, you can put the hand on the product, you can actually see it visually there and you are getting obviously a much more accurate picture, as distinct from feedback from say a questionnaire.

Confectionery

Maybe because of the difficulties encountered if a sales person tries to put her contextually rich knowledge into standardised reports, sales representatives seem to have a 'traditional' aversion to formal report systems:

And mind you, that is an area where the guys can put up a bit of resistance when they feel that all they are doing - they are doing a lot of administration, there is a form to be filled out for everything, we seem to be constantly looking for information from them.

Confectionery

Both problems, that of sales reps' resistance to what they perceive to be bureaucratic chores and that of decontextualised 'second-hand data', seem exacerbated if information technology is used instead of conventional sales reporting tools. Although the trend of 'automating' the sales force has recently spread from the United States to Europe (Engle and Barnes 2000), it creates significant challenges for the management of knowledge sharing processes in the sales team. The next sections will examine what these challenges are and how they may be resolved.

11.2 The role of information technology in sharing customer knowledge

In many firms, the awareness that the sales person is a highly valuable source of customer information is associated with a call for a more sophisticated information infrastructure to facilitate knowledge distribution. Even though the sales environment has long represented the "last bastion against automated business processes" (Burrows and Barling-Twigg 1996, p. 23), the interest in front-line automation and customer database systems is now catching up with that in information technology for other organisational areas: sales of customer relationship management software is forecast at \$9 billion world-wide in 2002 (Elliott 2000).

From a general management perspective, research has already questioned whether sales force automation efforts actually yield any substantial financial profit. Many small to medium sized companies consider the cost of sophisticated sales software suits, at an

average of \$5,000 per user per year (Trott and Gray 2001), prohibitive for the size of their operations. Even for larger firms, reports that indicate failure rates of sales force automation (SFA) projects of up to 60 per cent (Morgan and Inks 2001) suffice to dampen the enthusiasm of all but the most fervent supporters of information technology. In a large-scale study on the usage and effectiveness of SFA in an international pharmaceutical company in Germany, England and the United States, Engle and Barnes (2000) found that non-discounted payback periods for SFA tools reach six or seven years – by which time additional hardware and software will be needed. Rivers and Dart (1999), in a study of mid-sized manufacturers, could not establish any clear relationship between adoption of IT or investment patterns and return on investment. Thus, even though SFA is increasingly depicted as a “competitive imperative” (Morgan and Inks 2001, p. 464), its ultimate economic benefits for the individual firm are hard to foresee. The ‘soft’ returns from these systems with regard to enhanced information sharing or externalisation of individual customer knowledge have not yet been examined by the literature; it has however been observed that many sales professionals put up a surprisingly high level of (passive or active) resistance against the introduction of customer databases (Boone 1998).

11.2.1 The use of IT in sales

Of the firms studied for this research, only the brewing company planned to purchase a dedicated front-end system for their 72 sales staff and an equal number of telesales operators to manage their 10,500 customers. The financial services company, with a sales force of only eight plus telesales operators and an approximate 500 clients, was considering the purchase of a smaller contact management solution such as ACT[®] or Goldmine[®]. Most other companies used either general-purpose packages such as Microsoft Outlook[®] or small customary applications designed for a specific in-house

use. The usage made of information technology in the sales organisations studied comprises three categories of tasks: a) internal administration and communication like diaries, email and the management of marketing information; b) sales-specific tasks such as sales planning, stock taking, monitoring and quality control; and c) customer-centred tasks such as relationship management and prospect qualification. Interestingly, respondents who make only limited use of new technologies were almost apologetic about the fact. It seems that the notion of IT as normative in today's selling environment holds up even if unsubstantiated by its actual return on investment.

At this moment in time, even the smallest companies surveyed make extensive use of mobile phone and email facilities to keep in touch with the back office. Even though technological hitches such as viruses or downloading times can add an extra level of noise to communication processes, email is generally regarded as bringing the sales person closer to the sales support staff inside the firm. Shared electronic diaries such as the facilities offered by Microsoft Office[®] add a sense of 'virtual presence' to the boundary person who is absent from the office for most of her time. Often, email facilities and electronic report systems are also used to feed market information back to the firm: the back office can for example be alerted of competitor activities in the field in real time. Even though emailing facilities are considered vital for the daily information exchange with the back office, if used for communicating with clients, the impersonal character of the email has to be carefully weighed up against the convenience it offers. An over-reliance on email communication precludes the positive effects of face-to-face communication with clients discussed in chapter 10.2:

We have asked our clients to keep phone calls to a minimum, one a day or unless it is urgent, and use email for day-to-day requests, because we don't get any work done if the telephone rings every minute. And that's good because it's efficient but I wonder at times, for example we have a client and they would email everything and we have the bank whose IT systems are not very advanced, you can't attach anything. So we still are on the phone to them quite a lot and it is so much easier

for me to see how things are going for them because we are on the phone all the time, even though it is more time-intensive. Whereas with another client, although they email us all the time, I am guilty of it and the clients are guilty of it as well, sometimes when you have to communicate bad news, rather than picking up the phone you just email it and go home, bye. And then you are gone home and the client is probably sitting there and opening the email and saying 'oh for fuck's sake' and that wouldn't have happened if you had picked up the phone.

Advertising

Sales planning, order processing and sales monitoring appear to represent the biggest growth areas for the adoption of IT in the organisations studied. Increasingly, information technology is utilised to allocate resources, map out sales journeys and determine sales objectives; it is used for order taking, processing and follow-up and to adapt stock levels. According to the sales reps as well as their managers, technology employed in this manner can streamline and accelerate order fulfilment, which in turn increases customer satisfaction. If used for planning sales calls, information technology can free up time and concentration for a customer's needs and problems by simplifying some of the routine tasks such as stocktaking. Furthermore, IT can assist a sales person in conveying a professional image if used for sales presentations, product demonstrations and promotional previews, which in turn adds value to the sales interaction. IT can also focus the sales effort and make the call time more profitable:

Planning would be two thirds of their [the sales reps'] actual job. The time they actually spend face to face to the customer is only such a small amount of time and a very precious time that they just have so much planning to do. They set themselves objectives before going in, and those objectives would be based on information that they get from working off historical figures. [...] They work on handheld terminals, laptop computers. And on the laptops they can pull up say what the customer ordered the last time. Maybe not even so much what they ordered the last time - what didn't they order the last time? Maybe just scan the shelves - they haven't been ordering that from me for a while; why haven't they ordered it? That's something I have to find out, so that's one objective I set to myself. Or perhaps to do an analysis year by year, maybe their sales on Polaroid cameras have gone down, so I have to address that.

Cosmetics

Many respondents underscore that such information gathering during the sales call should never be used as a weapon to increase one's own negotiation strength, but rather to add value to the sales professional's services from the customer's perspective:

Q: So the laptop would be a help for you?

A: Oh yes, hugely, hugely. Also we would keep the likes of stock orders, we can show a customer how their trade is doing, whether their trade is up or down, even though the majority of the customers would know roughly where they stand, and also the likes of we can show them their stock orders for the same time previous years. For instance coming now into the bank holiday weekend, a customer might ask me: Could you tell me what I got this time last year? And we can access this information and say: Look, the week before the bank holiday you got 15 Budweiser, 15 Guinness, 7 Carlsberg, 2 Smithwicks. And obviously again this is important to them because you are developing their business and you can have a good idea what you are giving them without overstocking them. And again this is all down to customer relations. And again one thing that is vitally important to customers is not to overstock them.

Brewery

The sales person, through the use of information systems, becomes the memory of the client. She can remind the client of the sales history, compare his current sales with previous periods or aggregate competitor sales and hold information about end users. How valuable such information can be for a customer was recognised by one of the companies studied, which, at the time of the empirical investigation, contemplated giving clients read-only access to their internal marketing information system. It is evident that such information sharing signifies an important step toward partnering the client on a corporate level and that it enhances the consultative value of the sales person. From a knowledge management perspective, information technology most often plays a role in the form of databases and contact files to record clients' details such as names, addresses, hobbies or their place in the organisation. The ultimate motivation behind such systems is the desire to transform knowledge held by the individual sales person into company information. At the same time, customer databases are considered to assist the individual seller in her sales interactions - as an example, if the customer database contains a call history, it helps the sales person create a sense of continuity in her customer interactions:

And also you would like to have an information system that, before calling into a customer, you could call onto and can get information from your laptop - have they called recently, have they had problems, are they on back order for any supplies. So that you know before you go in, rather than the customer telling you what's wrong.

You go into the customer and say: listen I know exactly what's going on. That would be very useful as well from an IT sales system.

Pharmaceutical wholesales

11.2.2 *The epistemology of customer databases*

The dual role of customer databases as an *aide-memoir* for the individual sales person and a tool for sharing customer information among the sales team elucidates a number of aspects of sales people's stock of customer knowledge and how they share it with their team colleagues. Sales people seem to distinguish two types of 'knowledge' of the customer: on the one hand knowledge that can be externalised, shared and objectified in databases, such as names, addresses, hobbies and the factual call history, and on the other hand 'proprietary' knowledge, that is knowledge that is too personal or too embedded in the relationship to be put on IT:

A: Well, if somebody said to me that they were very interested in rugby, and they were a member of a rugby club and they would love to go to internationals and I got some tickets for a rugby international and I wanted to bring some clients, well I wouldn't bring the clients who said to me that they HATED rugby. So in that regard I would use it, but not in any sort of aggressive way. It would be to help. And I would keep that information on file.

Q: Would you?

A: Oh yes. I have 50 clients who might have anywhere up to eight or ten contacts, I can't remember that. I am too old to remember that sort of stuff. So I have it down on a spreadsheet, on a file that I keep.

Q: What kind of file?

A: It's the thing that is attached to the Microsoft Outlook package, I think it's part of the email thing, you have a contact list, and it would say: name, company, telephone number, and then there is little details on the side, personal information, private telephone number, any of that sort of stuff, and you might just log in: rugby yes, or rugby no, or football, or whatever. I would retain a lot of that information in my head, but that would require that you know is it the production guy in there that likes cricket or is it the finance guy - I can't remember. So I write it down.

Q: And the information in this file, would that be purely factual information as opposed to personal characteristics, like 'aggressive negotiator'?

A: I wouldn't ever think of keeping that sort of information. No, you would remember that.

Q: So it's easier to remember that than to remember if the guy likes football?

A: Yes, I would think so. It would come back very quickly. I have never heard of anybody keeping records of that. You just get to know your customers quite well. To remember whether a client A's wife's name is Mary or Marian, I could NEVER remember that, I can hardly remember my own name, never mind somebody else's. No, I wouldn't remember that, so I would write it down. But I would know, this guy knows what he is talking about or this guy doesn't know what he is talking about, I just remember this kind of information, it's like I remember the colour of

this building, cause I just KNOW it. I wouldn't write that down.

Pharmaceutical wholesale

Factual *customer information* about clients such as names, interests and job titles appears to lend itself to being stored in databases and shared with others via IT. Such information can be understood and manipulated by others even if decontextualised. The classic example of the use of such information is an invitation to a corporate event, where people who are flagged as 'interested in opera' are sent personalised letters with his own and the spouse's name drawn from the database. Other than for corporate invitations, customer databases can also be used to ensure that no customer is 'forgotten'; that they are all contacted within a certain period, that they receive a Christmas card or that they are kept informed about new product developments or promotions. Customer databases filled with (regularly updated) customer information can be essential for ensuring a certain amount of continuity on an account in the case of team selling efforts or for holiday replacements. As the respondent in the last excerpt indicated, they can even be crucial if they are not designed to be shared with others and are only used by the sales person herself, should she have too many clients to recall personal details about all of them.

The more experiential knowledge of the customer however, knowledge that has been developed in and through the relationship with the client, appears harder to formalise and record:

We do have a lot of information on hard file over the years, I could give you bundles and bundles of files, but again, what that wouldn't give you would be the whole personality thing and the politics. They are all up here [points to her head], and it's all through my experiences, through a lot of tears.

Advertising

That such experiential knowledge is difficult to objectify in a customer database corroborates the notion of personal customer knowledge as tacit. The 'measure of the person', as one respondent called it, is knowledge that emanates from the personal

interaction between sales person and client. As chapter 7 pointed out, it is highly subjective knowledge that is generated in the context of the client-sales person relationship and is therefore only relevant in this particular context. Even if the more factual customer information can be shared through the use of IT, many respondents feel that the (more tacit and subjective) experiential knowledge of the customer loses most of its significance if coerced to fit standardised customer databases. Thus, most customer databases, if used at all in the sales organisation, seem to contain only a fraction of what sales people know about their customers. This fraction is bigger if a sales person's own customer knowledge is limited to 'hard facts' such as names and buying patterns— which is the case for most prospective customers and many small transactional ones. If however the relationship is a genuine one, even the most sophisticated database can only capture a small fraction of a sales person's customer knowledge.

Many sales people recognise this problem if forced to fill out activity reports in standardised databases. They are forced to externalise and objectify knowledge that they use intuitively in their customer interaction; they are forced to reduce the 'flair' that they have for their customers to an item on a drop-down list; they are forced to transform their active 'know-how' into passive 'know that':

Q: Coming back to IT - would there be any possibility to automate these little black books [sales people's private notes]?

A: It's very difficult. The nature of a database is that you have a formal structure. So for example in a personnel file, you would have the date of start, the social security number etc, all these standard kinds of columns. When it comes to soft data, it's very difficult to categorise, and unless you can start to categorise in some sort of efficient way, the information becomes not only difficult but pretty useless in terms of what you can use. And the sort of information that is terribly important obviously is who owns the business, who pays the bills, who does the buying, that sort of information. Soft information in general, unless you put it in form of a note, and that note becomes illegible as it becomes larger and larger and larger, is a very difficult process. I have NEVER seen a successful way of dealing with that. And even with databases that can do keyword searches or text searches, unless you can retrieve it in any sort of way, you can't use it. So it only becomes like a sticky note on the screen when you pull up the customer. And even then what would you do?

And the problem I find with information is that it is ONLY of use if you can do something WITH it. If you CAN'T do something with it, why collect it? And that's the problem.

Telecommunications

It has been mentioned before how much experiential knowledge and its use are related in the actions of a sales person. As the respondent cited above recognises, if knowledge and use are separated, knowledge literally becomes use-less.

A problem that is related to the close alliance of knowledge and use is the extent and complexity of sales people's experiential customer knowledge. The knowledge a person holds about her counterpart in a relationship is so complex and multidimensional that, if one were to enter it in a database, 'you would be at it forever', as one interviewee phrased it. All the little nuances about somebody, their reactions to different stimuli, their tone of voice and mood signals make up the 'Gestalt' of a person that can only be learned through personal contact (Polanyi 1966/1983):

I worked in the States and what I found was that they get over-reliant on databases over there and they think because they have names and addresses of people and a bit of background information, they get over-reliant on it. I certainly think it's excellent to have a good bit of background on a person, but at the end of the day, all the tiny nuances that are really going to make the big picture you CAN'T put them into a database. You can't, I mean I could be there all day writing a biography on M. [one of his clients]. You just don't have the time to be doing that and keep it in a database. I actually think people get over-reliant. I know Tom Siebel from Siebel Systems[®]. His goal in life is to put everything into machines and the machine should run itself. And even if you lost somebody, they think if you got it in a database it protects the company. Because when R. leaves the company, sure we have everything we need to know to carry on his business in the database. It doesn't work that way. Two people connect; it's like friends get on with each other.

Real estate

Because people and the relationships they entertain are so different and so complex, any information system that is designed for the use of more than one individual (which databases usually are) is necessarily built upon the smallest common denominator to relieve some of the complexity involved. Many sales people resent the obligation to

simplify the variety and nuance of their knowledge if forced to fill out predefined customer forms:

Q: Would you keep the same soft bits for every single customer?

A: No, I suppose it depends on how specifically you want to define that. If you want to take it to a ludicrous extreme - would you have a field in there saying 'is this customer's daughter about to do her leaving certificate?' Obviously no, but it doesn't get down to do you have a section where it says 'hobbies' for the contact? I don't think so. I think it's more free-form, but maybe semi-structured in the sense that you might allow the sales person to have multiple fields of free-form data that they can label themselves. So if a sales person wanted to label a field 'hobbies', that was his thing, or interested in soccer or whatever, that was a particular mechanism that he used, fine. But that's a good example of where each sales person would be different. Because the types of information that they would call upon, that they would use in developing their relationship would be a reflection of their personality, and that's gonna be totally different from one sales person to the next.

Telecommunications

From this perspective, even if idiosyncratic knowledge could be stored in databases as free-form data, it would become meaningless to anybody but the person who developed it in the relationship to the client – and who possesses this knowledge anyway.

Besides the fact that knowledge of the other in a relationship is always highly complex knowledge, there is also a sense among many sales professionals interviewed that if the sales person is genuinely interested in her customers, there should be no need for a database to record what she knows about them. Databases can only assist a sales person if she does not intend to entertain a 'genuine' relationship in the first place; in all other cases, the need for a computerised memory almost debases the value of the relationship:

And in fairness, I don't think you can have a relationship with a broker and at the same time to have to write this sort of thing down into a database. Cause that's a sign that you don't really know them, that you have to look up a database to find out what they are actually like. That would mean that they are just a list of names, it might as well be a list of customers whom I never come across. It wouldn't be very useful for me to file that sort of thing. In fact, it is probably fair to say that unless they can be all inside my own head, what each person is like and what I am meant to do next, then I am probably not doing my job properly.

Financial services

Thus, it is 'part of a sales person's job' to know her customers without the help of an electronic memory. As personal relationships are characterised by the fact that the

interacting parties have personal knowledge of one another, the person who entertains the customer relationship should simply not need a database to record customer details. For all others, such records are divorced from their origins in the relationship between two people; they become second-hand data and as such sterile and unusable. In both cases, the use of a customer database mitigates against the deep involvement of the seller in the client relationship.

Often, 'second-hand data' on customers recorded in sales databases can also be a liability that could potentially haunt its originator. Sales professionals often feel that they do not have any final control over who has access to the information and what they do with it, and they know that certain information was entrusted to them under the implicit condition that it is not to be shared with others. If personal information is imparted to sales people as a result of the relationship they maintain with their clients, they frequently regard sharing this information with others as a betrayal of their clients' trust:

We can put so much in a database, but obviously there's personal things that you don't want to, that they told you personally, but you can certainly in a database - what we have started to do - put in the name of the customer etc, and if they have been annoyed with you. But you wouldn't go down through the whole thing about them, every single little thing which is maybe important personally, but you don't want everybody to have access to either, they may have told you that on a personal level. I might say if my boss is going out: by the way, they told me this, but it's personal, so don't mention it unless they bring it up. You have to be very careful. It might be just that one of the children was sick or that somebody had an accident or the wife wasn't well or the wife had an operation. One of my customers - and he wouldn't be a huge customer - rang me there a few weeks ago that he had to go into hospital for 10 days, he had a circulation problem, and he didn't want anybody to know, but he just let me know in case I was looking for him. Now I rang the wife and asked how he was, how is he keeping, little things like that. But he didn't want everybody to know that, but I know him a long time. It is a kind of a relationship in a sense, being honest.

Pharmaceutical wholesale

Loss of control over the information can be particularly dangerous if highly subjective details on customers are stored in a system:

Q: What you know about the brokers, would that be written down anywhere?

A: No, it wouldn't be kept further. Because if you begin to write down opinions on brokers it could be quite dangerous. If you have something written about a broker and you say this is a very awkward person to deal with, that could be quite dangerous. That would be libelous. So I would never put down in writing what somebody is like. I would perfectly say it verbally. So you would never put down in writing what the brokers is like. NEVER. I have never come across a written description of what a broker does. You might show sales figures besides different brokers and what percentage of their business are we thinking they are giving us, and if that figure is very low that could tell us that this person doesn't get along with us very well. [...] I have never seen that done before and I think it would be quite dangerous to do it. I can imagine me in the libel court saying: I didn't mean to write that, it must have been somebody else. I couldn't see that done.

Financial services

It could be debated whether this concern for their clients' privacy is a real one and/or a partly hidden expression of many sales people's reluctance to share what they perceive as 'theirs' with their sales team. Often, the professional future of a sales person is based on the fact that only she can provide continuity in her client relationships. Many sales people fear that they may lose this specific asset if they share their knowledge of the customer with others via IT. Customer knowledge, in this sense, is power only if it is situated in the sales person's head rather than in a database system:

But it might be unrealistic to expect that you get everything, every scrap of information. Why? Well, if you think about it - what makes the sales person effective or what makes him or her stand apart is the relationship they develop with the buyer or the decision maker, and part of the strength of that relationship is the information they keep, like the daughter is about to make her exams, Ian's wife is about to head for the holidays of her lifetime, so that when you go back in you can pick up on a conversation, and that's how we do it with people we know, it's these little triggers that remind us, that make us feel comfortable with one another before we go down to 'are you going to buy this from me'. It is partly that they keep in their own head or in the little black book, and if you accept that that's a good deal of what makes you successful, you're gonna guard that quite jealously. You're gonna be reluctant to make that available. By nature you are a quite competitive person, otherwise you wouldn't be comfortable doing this job and therefore you wouldn't be successful. And if you're a competitive person by nature it's those little things that make a difference that you keep to yourself.

Telecommunications

This respondent sums up the fact that databases, however well designed, will only ever manage to extract a certain amount of customer information from the sales representatives; first because they are unsuitable for the complexity of a sales person's

knowledge structures, and second because even if sales people could externalise all they know, they would be reluctant to share this knowledge. The next section will recommend a number of factors a company should observe when designing or buying a customer database for the sales team in order to maximise what a sales person will be able and willing to record on IT.

11.2.3 Operational considerations for the design of a customer database

Judging from interviews with IT professionals, sales managers and sales reps on the ground, a sales organisation has to observe a number of issues prior to the purchase or design of a customer database. The most important factors to contemplate are:

- The level of involvement of the field staff at the design phase
- The level of customisation required
- The incentive structure related to the use of the system
- The level of ambiguity the system allows
- The influence of the organisational culture on adoption levels
- The process of maintaining the database and the information stored

A number of respondents pointed out that for an IT project to succeed, it is crucial to involve the users at the initial design phase. Even if the decision to implement a computerised system is made at a managerial level, the field staff needs to be drawn into the design process as early as possible. Given that the sales staff will not receive any benefits out of the system at this early stage of implementation, user involvement at this stage is often only realised if the sales manager herself actually drives the design and implementation of the system.

Achieving early user involvement is even more critical for sales automation than for other departmental IT projects if sales people have a less significant level of socialisation than back office staff. The need for adaptation to individual working styles is often considered higher for sales information systems than for back office systems:

And that's the biggest problem you have with sales people, partly because the way they work, they work in a very different environment as an office worker, their very nature as people is different, they're more individualists than team players, so where in an office you get people, although they might moan and groan, but they conform to an accepted way of doing things, the sales person by their very nature lives on the fact that they're different to their colleagues, so the fact that they're just gonna accept a standardised package in what's good for you couldn't be good for me. Because what makes me different what makes me better than you or a third person is that I do things differently.

Telecommunications

Thus, sales information systems need to have a high degree of in-built flexibility to increase acceptance among sales people. The possibility to customise the system to suit individual working styles is highest if the system is designed in-house; only high-end commercial software packages such as Siebel Systems® have a similar amount of flexibility. Experts in the design of sales automation systems recommend replicating as many features of the paper-based record systems in use by the sales people as possible to accommodate their idiosyncratic working styles. They argue that an adoption of a familiar interface would also reduce the apprehension that accompanies the introduction of most new IT systems.

The future benefit from the system for the individual sales rep has to be highlighted from the moment of conception of the system, and an initial payback has to be achieved as soon as possible after implementation. This requires not only extensive user training and support, but also a system that is designed with the user benefit in mind:

What can you do to make life easier and better for them? And if they see that the chore of completing a weekly report or monthly customer analysis can actually be taken off them, by a well structured system that they can record and capture that information on a daily basis, and then find that either through standard reports or report-writing tools that they can fulfil their requirements to produce these periodic reports with well, little effort on their part, once they see that then you start to get

buy-in from them, you start to find them quite supportive of it. But if it's seen as a big burden to them, no matter what you do, you can say, he's a really tough sales manager he should be able to beat them into submission, yeah, you can, on occasion, but then other priorities take over and then even for the sales manager it will fall down as a lower order priority.

Telecommunications

In addition to an emphasis on the benefits for the individual user, an incentive system can be devised to ensure that existing data are updated and new data keyed in on a regular basis; this is particularly important in the period when the system is implemented but does not yet deliver any substantial benefits to the individual sales person. Information gathering and dissemination could be included in the job specifications for sales staff, monetary incentives could be given for the maintenance of customer records and dedicated back office staff could be employed to check the usage levels of field staff. However, such incentive structures will only yield the desired results if the organisation also fosters an information sharing culture. Such a culture, according to respondents, is primarily characterised by a give and take of information:

Q: Do you expect that there will be an issue of ownership of information? Who will put the data in, who would be able to see the data? Do you think people will be afraid of sharing what they know?

A: There may be an element of that, but I think there has to be - for example there is no use in me capturing all this data if I am not going to let other people see it, so I would have thought this is, like the data I capture is data for public consumption. So it certainly should be accessible by anybody who might have contact with that prospect or client. So certainly my objective would be to have a totally open database of clients or prospects. So that anybody who might interact with those can immediately access and say, well at least now I know, I have a picture of that organisation. I think in building the database you will probably be conscious of the fact that others will be looking at this. But it shouldn't stop you from capturing relevant data. You may not want to capture some personal views; well there will be a room for personal views, but I suppose you need to be just conscious of the fact that this will be read by others. But I wouldn't see a difficulty in that. I would see it as crucial that it MUST be accessible.

Financial services

Thus, if on the one hand the database is designed 'for public consumption' in order to foster an atmosphere of trust and sharing of knowledge, sales reps are likely to hold back parts of their knowledge. If, on the other hand, the database is designed in such a manner that only the 'owner' of the information can access certain customer records,

information sharing in sales teams will be less than optimal. One respondent recommended a compromise solution that incorporates 'public' areas as well as 'private' areas to the sole availability of the 'owner' of the customer relationship to resolve this challenge in the design of customer databases:

You have to give them the electronic equivalent of their little black books, the idea of having them pour all their knowledge into an electronic database that can be viewed by everybody won't work. It's very important that they still have those private pages where they can make their own personal notes that can't be dipped into when they phone up and synchronise their database with that in the office. If you don't they're gonna keep their little black book anyway. Their own hunches, feelings, impressions, and more of that kind of information that you can capture in the main database the better. But it might be unrealistic to expect that you get everything, every scrap of information.

Telecommunications

To summarise, if a sales organisation intends to design a customer database for their sales staff, they have to be aware that there will be three different stocks of knowledge. There is basic customer information that can be made 'public' in a database system if the right incentive structure is in place; such information includes customer names, contact details, job descriptions and responsibilities. There are customer details that are not suitable for 'public consumption' but play an important role for the sales person who holds the relationship with the customer; such information may be stored in sales people's 'little black books' or even in the customer database if the 'private areas' are perceived as secure. These details may be shared with others on an informal basis if the culture of the sales organisation is conducive to knowledge sharing processes. Finally, there is 'tacit' customer knowledge, a stock of knowledge that is likely to remain implicit in the sales person relating to the customer. Any attempt to capture such knowledge on IT will result in a "representation that cannot be represented" (Baumard 1999, p. 19). Davenport (1998) points out that tacit customer knowledge does not have to stay tacit forever, but he also mentions the difficulties attached to externalising this type of customer knowledge. The current investigation indicates that the degree to

which tacit knowledge may still be shared in sales teams seems to depend on the existence of a 'knowledge culture' as much as on the opportunities a sales team has to interact formally and informally and thus create redundancy of information. In this manner, a sales team's function as a knowledge repository can exceed that of a customer database. Contrary to the rigidity of a database system, the fellow team members can capture much of the richness of an individual's knowledge. For this reason, oral channels of communication are often the ones sales managers intuitively prefer when gathering information about the relationships sales people entertain with their customers.

11.3 When we have to part...: Handing over a client relationship

If the most informative 'customer databases' exist in the group mind of the sales team rather than on hardware, a new entrant into the organisation will have to find a means of tapping into this shared knowledge repository. Traditionally, staff changeovers in sales teams are a highly vulnerable moment for the organisation (Weitz and Jap 1995). In a business-to-business scenario where cultivated relationships prevail and the future of the client interaction is at least partly product-based, the product sold can assure a minimum of continuity in the client relationship. In situations where the buyer-seller relationship is primarily based on the bond between the sales person and the client, a handover can have a devastating effect on the continuity of the business:

Q: What would happen if - God forbid - one of the sales people who was selling to this customer for 15 years got knocked down by a car or decided to make a runner tomorrow?

A: It is very difficult. It can take you six months to fill that position, until you get somebody else to get into there and to get to their level. The most difficult situation which happens very regularly is that somebody leaves and starts up a business by themselves or moves to a competitor. And certainly in rural Ireland where the personal relationships are terribly important you can lose a very big chunk of your business very quickly. And it takes sometimes years to get it back.

Hardware

To prevent such incidents and in order to assure a certain degree of continuity, many companies try to introduce the new incumbent through the previous one in the hope that some of the goodwill would spill over:

Q: What would you do if you left * and somebody had to take over your job?

A: Over whatever period it was, the first thing I would do I would introduce the new person to the key people. I would probably try to do some sort of a formal assessment of where our relationships were, what our business level was, what particular activities were happening with whatever number of people I felt relevant. And apart from that it would be a more informal assessment, you know a gut feel for what I think this guy is up to, what he might be doing, how I thought he maybe should be approached. But I think the most important part would be some sort of interaction between myself, the customer and whoever the new person is, some sort of introduction.

Financial services

Many sales people seem willing to smooth the way for the new sales representative in this manner. Realising that most of the existing databases in their companies would not hold enough information for a new staff member to take over the account, many respondents suggest that they would hold briefing sessions with the new sales person in which they would inform them about their clients, their client relationships, particularities of the account and other client-specific information. Often, briefing sessions seem to be done out of concern for the client rather than out of concern for the new incumbent. Many sales people feel that they 'owe' it to their clients to bring their successors up to date on the account history in order to minimise disruption from the client's point of view. With regard to their successors, some respondents point to the fact that a brief on client personalities could even be detrimental to the development of the budding relationship. There seems to be a consensus among the sales professionals interviewed that no amount of preparation can relieve a new sales rep of the onus to form her own relationships:

Q: When you came to*, before you met your clients for the first time, were you told about them? Did anybody sit you down and tell you about these people?

A: No, people dropped hints, 'oh, he's gonna like you', but in a joky manner, and to be honest it just excited curiosity rather than helped me develop a strategy to deal with these people. Within my first week or two the first thing I did was to

phone everybody I knew I was going to be in contact with and made an arrangement for an appointment to meet them so that the relationship could start and that I could start working. So with client A I was told 'he is going to like you', that even was the basis on which I was hired, somebody said 'oh yes, she would work well with that client' - but other than looking at myself and saying: 'why would I work well with him'? You have to meet them to understand and you have to build your own relationship because nobody can do that for you.

Advertising

The sense that every sales person has to build her own relationships corroborates the notion that a buyer and a seller create a very unique relational space that cannot be transferred from one individual to the next. If one of the participants in this relational space quits the relationship, a new relationship has to be started from scratch:

And again if we had a contract rep to whom you said: ok, this is such-and-such a customer, this is the way with this customer, just give you a little bit of background, I don't know if that's necessarily a good thing. Because you are with me. You are behaving towards me in a way that you may behave - if there was somebody else, if I were a different type of person and you come into me today, you might behave in a different way. So people behave in a different way, it depends what you or another person can get out of them. So it's really up to the individual. The relationship that you build up with somebody is so unique, you can't expect somebody to go in and replicate that same thing. It has to be started from the very beginning by themselves. There is no mid-point you can start a relationship with anybody from if you are meeting them for the first time.

Cosmetics

The fact that 'there is no mid-point from which you can start a relationship' puts a question mark over any attempt to share the highly personal tacit knowledge of the customer that a sales person holds. Knowledge of the customer *as experienced* in the relationship or knowledge of the relationship *as experienced* through the interaction with the customer is only ever of use in the unique relational constellation. Outside this relational space, this type of knowledge will always be divorced from its most central ingredient: namely the two individuals who embody it. Practices of knowledge sharing in sales teams and customer databases, even if designed with a view to the highly idiosyncratic nature of customer knowledge, can only incompletely capture the richness of the lived experience of a personal relationship. In fact, as discussed in this chapter, the very notion of containing the breadth of relational knowledge in a computer format

debases its particular quality. Information technology can play a role as relational facilitator by simplifying routine tasks such as stock taking during the sales interaction and thus releasing time and energy for relational matters. It can also be used to capture 'data-derived' customer information such as names, addresses and account information. Informal knowledge sharing fora in sales organisations can provide an opportunity to flesh out such informational skeletons with the 'human' dimension on the customer. The real measure of the customer, however, cannot be gained through second-hand data; to quote the respondent in the second-last verbatim: 'You have to meet them to understand'. It is possible that a sales organisation has to be resigned to the fact that certain aspects of a sales person and a customer's knowledge of each other will remain with and between these individuals forever and will disappear if the relationship dissolves. In this sense, tacit customer knowledge is also ephemeral customer knowledge, and all attempts to externalise and store it are doomed to fail.

12 Environmental factors influencing the relational space

As Karantinou and Hogg (2001) recently pointed out, any client relationship is situated not only in an immediate context that directly affects its development, but also in the wider context of a particular industry, market and relational network that influences the development of a particular relationship more indirectly. Most frequently, such a wider context lies outside the instant control of the selling dyad: even though in the long term the members of the dyad and the sales organisation can shape these influencing factors, in the short term they are a given that has to be taken into account in the relationship building process. With regard to the buyer-seller interaction, the most important of these environmental influencing factors seem to be the network of relationships in which the dyad is situated and the market realities that form its background.

12.1 Beyond the dyad: The wider network of relationships

This study concentrates on the personal interaction between sales professionals and their clients: it examines how sales people get to know their clients and how they use this knowledge to engage in relationships with them. The relationship between a buyer and a seller however is also influenced by the wider network of relationships that the two parties hold: the dyadic interaction can only be fully understood in the context of this web of relationships. As an example, how intimate a buyer-seller relationship becomes may be contingent on the relationship that this buyer maintains with other sales representatives – if a sales person perceives a buyer as ‘promiscuous’, she will probably not develop the same level of trust in this person that she would in a person perceived as more dependable. Likewise, a buyer may refuse to divulge any sensitive information to a seller if he suspects this seller uses the information in other client relationships. At the same time, the relationships a sales person maintains in her own organisation may help

her achieve a higher level of service for a client and thus enhance her relationship to this customer. The wider relationship network that both buyer and seller entertain can therefore have an enhancing as well as an inhibiting effect on the dyad. Figure 5 below gives an outline of the typical buyer-seller relationship network that emerged from the interviews carried out.

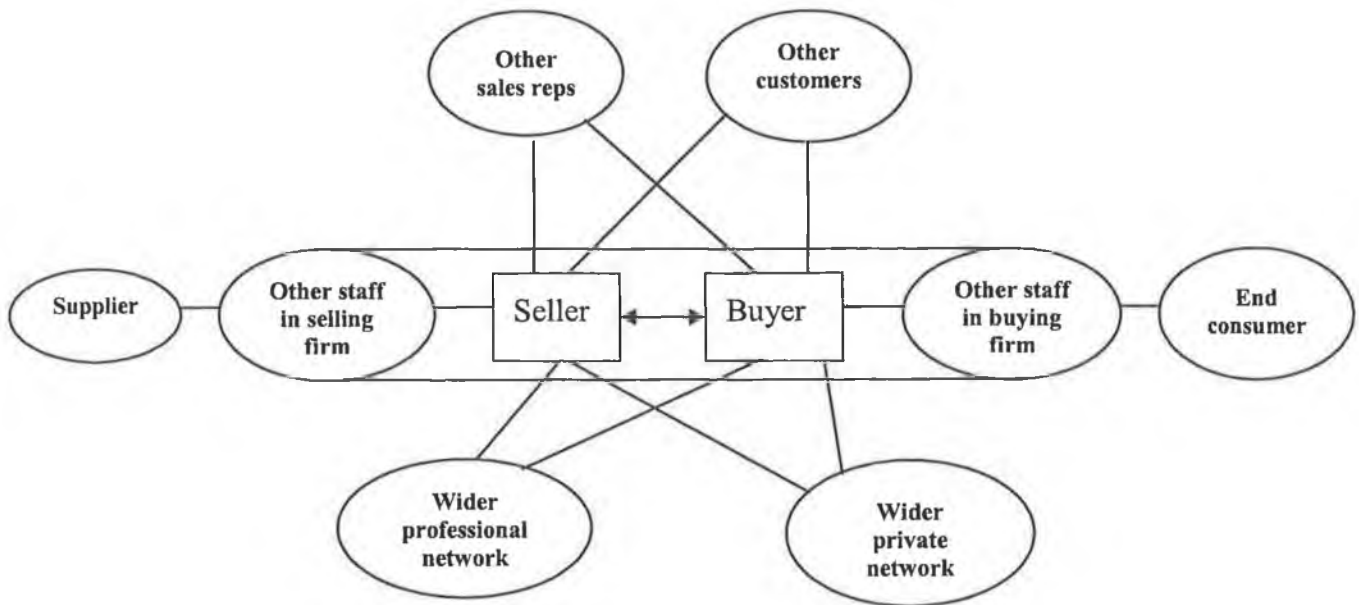


Figure 5: The buyer-seller relationship network

As this diagram shows, the dyad is embedded in a network structure that links both the buyer and the seller to a variety of third parties. From the perspective of knowledge development, it is important for both actors to be aware of the relational ties that the other maintains with third parties. From a relationship development perspective, it is important to realise how such outside ties can be used fruitfully to advance the client relationship or, alternatively, to what extent the client relationship can be used to advance the seller's outside relationships.

12.1.1 Supply chain relationships

In many cases, other channel relationships are considered the most important part of the network of actors that surrounds the buyer-seller dyad. In the typical distribution channel, a sales person's direct client holds the relationship with the end customer or end consumer and the sales person does not have direct access to them:

A lot of our business comes through pension consultants or intermediaries of one sort or another. And what we discovered was that a lot of our major clients we don't have a relationship at all with them because the business is through that broker or consultant and we don't have any end client relationship, our relationship is with the broker or consultant. So suddenly you realise that if we look at our top 20 clients, we probably don't even know them. We have absolutely no relationship with them.

Financial services

A number of sales professionals expressed discontent over the fact that their direct clients guard their own customers very carefully. Particularly in 'business only' relationships, knowledge of and access to end customers often seem to be central factors in the distribution of power in the buyer-seller dyad. In more co-operative relationships where both parties decide to join forces in servicing the end customer, it can also strengthen the dyadic relationship:

What we try to do by way of really tying ourselves up with the customer that we get to know who their customers are and in turn our customers' customers become our customers. And that's a hugely valuable tool to have because it gives you a lot of information that the pharmacist may not have had. To give you an example: we have two consultants, the two cosmetic sales reps they also do consultant promotion. So two days of their week they would do consultant promotion. So people would come in, they would know there is a promotion with skin care. And we would keep that list of names on a database here so we could go out to the pharmacist and say: if ever you want to run a promotion we have this list of customers, if you have a special deal we can do a mail out for you. So suddenly we are tying ourselves in with the pharmacist: we know who your customer is, we can send them out questionnaires, we can help you to market your products to get better in the pharmacy.

Cosmetics

This excerpt describes a case in point where both parties derive a benefit from fostering other channel relationships. It shows how such relationships can be used to establish an

atmosphere of openness and trust through the sharing of information and responsibility, where in other scenarios they would be used to expand one party's coercive power base.

12.1.2 Relationships with other customers and other sales reps

It was already mentioned that the marital metaphor has been used repeatedly to describe personal buyer-seller relationships. This metaphor is somehow misleading: while the norm for marital relationships (at least in most Western societies) stipulates that both relational actors restrict themselves to one partner to the exclusion of others, the reality in most markets is that both buyer and seller maintain several 'marriages' at the same time.²⁹ Interestingly, even though this fact is commonly accepted, it seems part of the role set of personal selling that a certain amount of pretence is upheld with regard to this promiscuity:

I think that everybody I would know would like to feel they are the most important person within the group, whether they are a very small or a big customer. They have committed to give us business so in return the least we can do is thank them for it and let them know that they are special and make them feel important.

Pharmaceutical wholesale

The importance of 'making customers feel that they are the most important one' was flagged in a number of interviews. Sales people try hard not to be seen to treat any customer more favourably than the other, even if they do give preferential treatment to some of them:

And you have to be so careful how you do it, because it's probably one of the closest businesses there are, because they have such interaction among themselves, even though they are competitors. Even though they are competitors they do talk very much among themselves. And when they socialise they go into each other's pubs and they talk. And obviously to the other person they would say that such a rep does this and such a rep does that. And obviously it's a trade-off. If you develop

²⁹ In this sense, Tynan (1997, p. 695) remarks that the analogy of a marriage as 'successful, public, contractual, and monogamous' fails to capture the reality of inter-organisational relationships entirely; she suggests instead to consider such metaphors as stalking, rape, prostitution, polygamy and seduction to describe the full range of relationships which occur.

the business in one pub and you don't do it in the other, if you walk into that pub, you can be sure that he is going to say to you: you did it for him but you won't do it for me. So it is very much a balancing act.

Brewery

Thus, interactions among customers can negatively impinge on the dyad if a sales professional is 'caught' treating one customer better than the other. At the same time, a good relationship with one client can open the door to new customers:

And in fact if you get on well with several architects you will get phone calls from other architects, because it's one big fraternity. And they don't all get on well with each other, but certainly they have the institute of architects, they have their regular meetings and they have their regular meetings for this project and for that project.

Building material

While sales people are usually known to entertain more than one client relationship, clients in some industries are expected to maintain exclusive relationships to sellers. If they are seen to 'stray' from this wedlock, the relationship with their existing supplier may sour:

I was walking down Temple Bar and I walked past one of my clients, and I saw the car parked outside and I knew exactly who was in there, one of my competitors, and he is getting a trial run next week. So I went in there and said: "Listen, what's going on here? I can see this guy has been in" and she said: "Yeah, I am gonna give him a try, in fact I am going to give various different coffee companies a try."

Catering

This client was caught *in flagrante* in 'adulterous' conduct. If such behaviour is a frequent occurrence, it can critically affect the trust between the sales rep and the buyer. In contrast, in industries such as retail markets where clients are known to entertain numerous relationships with competing suppliers, these relationships may be a source of competitive intelligence. As an example, some clients 'prove' their loyalty to a seller by showing her sales figures or tenders from competing suppliers. During one of this researcher's sales visits with a dairy product sales rep, the store manager of one retail outlet showed the sales rep a six-month marketing plan for a competing product. It is likely though that such behaviour, even if it is relationship-enhancing in the short term,

ultimately sows the seeds of mistrust in the client relationship – after all, the sales person has no proof that her own figures are kept secret from other sales reps.

12.1.3 The wider professional network

The web of professional contacts that surrounds a buyer-seller relationship can be used very beneficially at the beginning of a relationship to obtain access to a prospective buyer or to dispose the buyer positively to the seller's personality:

A: What I would tend to is I would try to get in contact with him through somebody who I get on well with. So for instance a guy has come back to us now from that client whom I get on very well with. So if I wanted to meet somebody new, I would get M. to talk to them and say whatever, D. wants to talk to you about something. I would find some way to meet the new person through M. And the reason I would do that is that M. would say something positive about me before they meet me so they wouldn't be badly disposed towards meeting me in the first place. They would rather be well disposed towards meeting me in the first place. So I would have something positive said about me before I meet them. That's the way I operate, there have been three or four new people in the last three years, and invariably I got somebody who has something positive to say about me to arrange something with the other person.

Q: And that helps?

A: Absolutely, absolutely. Invariably the conversation starts with: Oh M. said great things about you. It works.

Financial services

A number of respondents appear to operate on the basis that their reputation in their (mostly small) industries precedes them. In such industries, people said to be an authority in their area are accorded expert power often before the client relationship is established.³⁰ Some interviewees make a point of entertaining professional contacts to non-buyers for the reason that these individuals are extremely well connected in their area. Others attend industry functions with the purpose of being introduced to prospective customers through professional acquaintances. All of these sales professionals are conscious of the powerful impact of third-party testimonies on a budding relationship.

³⁰ See chapter 13.4 for a definition of the different power bases.

12.1.4 The wider personal network

As outlined previously, personal friends or family are frequently involved in the client interaction in order to advance the interpersonal dimension of a business relationship - a dinner invitation that includes both actors' spouses is more likely to lead to an exchange of personal information than a dinner conceived as a continuation of the business interaction. Knowledge of a client's family often allows a sales representative to approach the client in a more informal setting:

Through the years I have always carried a pair of Wellingtons rubber boots in the back of my car. For the simple reason that I could end up - obviously a pub is also the residence of the family, and the pub could also be attached to the farmyard. And if you go looking for somebody they might say: oh he's out dipping sheep or something. And off you go. You wouldn't think twice. And also if you call to a pub, you don't go in the front door, you drive around the back and you go into the kitchen. And you walk into the kitchen, and that's why it's almost like extended family, they would say: oh B., how are you? Are you having a cup of tea, will you have something to eat? And that's just the way it is. Or: Jimmy is at the back dipping sheep. Will you bring this out to him?

Brewery

If family or close friends are positively disposed to a sales representative, it can also create an emotional tie with the client that may not be formed in a pure business context. Thus, if the wider professional network can be used to increase the expert power of a sales person, contact with a client's personal environment increases his referent power (see chapter 13.4):

A great thing I picked up was if you have a fellow you have great difficulty getting time with, if he is a really busy guy, who are the people that that guy listens most to in his life? Research shows it's his wife and kids. So if you want to grind him down, the way you are gonna get around it is the wife and kids have to know you and have to like you. I do a simple thing all the time. A big concert is coming up, say Robbie Williams, I buy about 100 tickets, send them all directly to the kids, don't even tell the guy, get their names, send the tickets, they are coming in at Sunday lunch: You won't believe what R. did! He is straight on to you: Jesus, that's really a nice thing, bla bla bla.

Real estate

12.1.5 Multilevel relationships between the buying and the selling firm

Another web of actors that can have a significant impact on the buyer-seller relationship is one that is often generated at the initiative of the dyad, namely the network of relationships between the buying and selling organisations. A sales person and her client can act as a hub for a multiplicity of relationships at various levels between the organisations; these in turn can enhance the buyer-seller relationship and help to develop interorganisational ties:

Q: And how much of what you know would your telesales people know?

A: They would deal much more with the assistant in the shop. And in a lot of cases they would build up great relationships with the assistants. And that is good, because a lot of the time the pharmacist might leave the assistant to do the ordering. So in a lot of cases they would be very friendly say with you if you were working in a shop, and Betty would talk to Susi every day, about 'went out last night and have a hangover' or something, and they build up these relationships, cause a lot of these girls would be ringing these people once a day every single day. And they chat. And that's very important. As regards the mainframe business, they would know the pharmacist's name obviously, but they wouldn't know the intimate details about his family. In some cases they would, they would often come to me and say: R., so-and-so was on and he is not well and his wife is gone into hospital, they told me on the phone, and then we would send in a get-well card or something. So they DO have relationships. And a lot of customers would be very happy with the people who would ring them and would want to keep these relationships. [...] And talking about automation again: all the ordering in * is automated, as I said, it goes through modems. But the customers still want the girls to ring them. Before we had the computers they would have rung them maybe twice or three times a day and now only once a day, but the customers really want them to be there, they still want this personal interaction. There were plans of getting rid of the girls, because strictly speaking they have no more function, but as long as I am there, this ain't gonna happen. I would fight tooth and nail that they stay. Because the customer want them to be there and to ring them, despite modem and all.

Pharmaceutical wholesale

Interorganisational relationships at various levels are interrelated relationships; the success or failure of one can have a significant effect on the others. In the above case, the relationship between the pharmaceutical assistants and the telesales operators bolsters the relationship between the sales manager and the pharmacist and personalises an otherwise machine-like interaction. It creates an additional bond between the two firms and thus promotes mutual commitment. Moreover, multiple relationships also

generate a multiplicity of information channels between the buying and the selling firm, which improves the overall information flow and supports mutual understanding. Thus, the cohesion between buyer and seller generated through their personal interaction can be replicated throughout the organisation if both actors facilitate interactions at other levels in their organisations. On aggregate, such cohesive effects or 'team effects', as Håkansson and Snehota (1995, p. 37) call them, are the ground on which mutual orientation and interlocking of activities are achieved.

To summarise, the micro-analysis of one particular actor bond between two firms carried out in this study, namely the sales person-client relationship, could be replicated at a variety of organisational levels with a variety of different actors. All of these micro-relationships in total form what is generally called the 'corporate relationship' and produce the commitment, trust and openness that is often seen as the basis of successful channel relationships. Similarly, the micro-relationships between actors within the buying and selling organisations and third parties form the basis of the firms' larger network; from an actor perspective, knowledge of the other and knowledge of the relationship with the other are the ground on which mutual orientation between organisations can be achieved.

12.2 The nature of the offering

As explicated at the beginning of section B, this study represents a deliberate effort to examine whether aspects of sales people's knowledge of clients and client relationships are common across a range of industries. The similarity between accounts from highly diverse industries confirms the value of such a cross-industry sample and points to the universal nature of interpersonal processes. Products or services as influencing factors have been shown to be less significant than had been anticipated; differences in the relational knowledge between sales people of different industries were differences in

degrees rather than differences in kind. Where the relationship does seem to play a role is the influence it can have on the actual closing of the sale. In a situation where the suitability of the product for a client's requirements makes or breaks the deal the relationship quality alone cannot exclusively determine sales success. Although the relationship can still deliver most of the benefits sales people identified (see chapter 8.4) and certainly make the interaction more satisfying for both parties, the quality of the product offering is the decisive factor in these situations. Sometimes, sales success *despite* a less than optimal client relationship can indicate just how competitive a product is perceived to be by the client:

Q: So out of 100, how much would be the personal relationship account for compared to the product when you sell to somebody?

A: Out of 100 at most 20. It would be nice to do business only with people that you really liked, but it's a real world, and you HAVE to do business with people that in fact perhaps don't like you. And in fact, this is the true test for the quality of your product. Isn't that the truest test? That somebody buys from you and they can't stand you, but they recognise that you put the correct arguments across and well it is the right thing for them?

Building materials

Such a 'proof' for the quality of the product does not negate the role of interpersonal relationships in these markets, but it shows that they are of limited consequence for a firm's sales success. In other industries, notably in service industries where the offering is perceived as a high-risk purchase (Karantinou and Hogg 2001), a sales person's personal credence and trustworthiness account for a rather substantial percentage of the pre-purchase evaluation of the offering.

Q: So if you have a friendship with these people and you go on a night out and the next day you have to go and see them and talk business, say a situation where the client only wants to pay £500 for an advertising slot and you want £1,000 for it, would that be a problem?

A: No, if anything it's an advantage, because advertising is not something you can hold in your hands, something tangible. It not a simple thing to be justified, and everybody can tweak their facts and figures to suit their own arguments. [...] And what it does, it cuts a lot of the - in business, especially in our business where rates are pretty negotiable depending on how much you are spending, there is a lot of mistrust as to whether everybody else is getting more money for their advertising spots than I am getting. And I don't know. So I am never really sure: am I being

screwed or am I doing well out of this? I never know exactly, the odd time you'd find out but you never really know how much the other stations get. You BYPASS that with your friend because you now trust him.

Media

Thus, if a client cannot readily ascertain the quality of the offering, the relationship he entertains with a sales person can act as a guarantor for the profitability of a deal.

In some cases, the product or service brand takes the role of such a guarantor. Some respondents perceive a strong brand to diminish the need for intimate client relationships. The brand makes sure that the product is being sold; all the relationship does is to produce additional benefits to a sale that is guaranteed from the outset.³¹ Even if the power of the brand or a high perceived product quality can outweigh the role of the relationship when it comes to the actual sale, the referent power that a sales person's relationship with the client affords her has still a significant influence on the overall customer satisfaction and the likelihood of future interaction (see chapter 13.4).

12.3 The market structure

It has been pointed out repeatedly that the nature of the competition influences the likelihood and the ease with which a client relationship can be established. In a highly competitive market, a sales person's relationship with her clients is often characterised by a high degree of instability. In such situations, the main role of the relationship is frequently seen in instilling a certain amount of loyalty in the customer. In the absence of most other product- or price-related factors that could distinguish one supplier from its competitors, the sales person takes on the role as a simplifier of choice:

Obviously the Dublin radio market there is very little at times to choose, I mean why would you advertise on a station and not on another, but their budget mightn't

³¹ The similarity between the effects of branding and of relationship marketing as risk reducers has led Riley and de Chernatony (2000) to put forth a notion of relationship marketing as a further step in the branding process.

be big enough to stretch to both stations, so they've got to pick one over the other. But there really is very little to differentiate between them. Basically in terms of the target market they might be looking for a specific target market, obviously there are certain demographics where the stations differ greatly, and that will make up their minds, but where the situation occurs that there's not a lot to choose between the stations, I would feel certainly that the business would come my way, whereas prior to that it didn't come that way.

Media

In this situation where a strong personal bond exists between a seller and a buyer and the product offerings are similar, the quality of the client relationship can indeed determine a sale. However, such an advantage based on interpersonal liking may not be very long-lived, as this respondent recognises:

And in such a competitive market, where the competition is only glad to bounce at an opportunity, you have to be basically you have to be good at what you are doing to develop the business in a very very competitive market. I should also point out that one of the main problems I find here is that as I say what you do for one person today might be gone tomorrow. So let's say here in Cork, and it has happened to me, let's say I would sponsor maybe bar staff clothing shirts which would be *branded, and we would pay for these shirts, and give it to the publicans as a goodwill item, and I could walk into that pub tomorrow and people wearing all Heineken shirts. And I cannot afford to aggrieve that publican because if I have a row with him or whatever, if I damage the business relationship, the competition are only looking forward to this because they will walk in and say: don't worry about it, we'll take care of you.

Brewery

Thus, in many promiscuous markets the client seems to take advantage of the abundance of competitors even on an interpersonal basis. Analogous to what Tynan (1997) calls 'prostitution' in relationship marketing terms, the seller may have to engage in practices of rewarding the client for 'staying her friend' in the face of the competition's seductive overtures.

In more stable markets such as advertising agency relationships with their clients, where the two parties consciously engage in a (temporarily) exclusive relationship, the interaction is what Levitt (1983) calls 'bonded': both parties are committed to another for a certain amount of time. In this situation, the sales person's main role does not consist of keeping the client from straying, but she is to a large extent responsible for a

'happy marriage', as even a formal long-term commitment does not always guarantee long-term satisfaction. Thus, the role of a strong client relationship is situated between that of a warrant for loyalty in promiscuous markets to that of a mediator for satisfaction in more stable buyer-seller relationships.

13 Meta-consequences of the relational selling mode

The exchange theorist George C. Homans (1968) points out that in order to understand human behaviour, one has to study reinforcement patterns of rewards and costs that lead people to do what they do. If a sales person engages in personal relationships with her customer and invests the psychological energy and time to develop a deep understanding of her clients, she must anticipate a number of positive consequences for herself as well as for the selling process. Chapter 8.4 already examined what the sales professionals themselves hope to achieve from their relationship development efforts. This chapter will focus on the broader consequences of working in the relational mode. In particular, it will examine how the relational dynamics between buyer and seller change the role set that is enacted by both parties and how they affect the power distribution in the relationship. Even though in most cases these meta-consequences do not necessarily form part of a seller's everyday relational knowledge, she can become aware of them through a process of reflection; once made explicit, they will in turn affect her operant relational expectations.

13.1 Perception of self

In engaging in personal relationships with the client, the sales person also develops new role definitions for herself. In transactional selling, short-term interests dominate the actions of both parties; if these are conflicting, no attempt is made to resolve the conflict for the sake of long-term objectives. A sales person's image (and consequently her self-image) is frequently that of a necessary evil the client has to put up with if he needs a product. This image undergoes a fundamental change if the sales person projects herself in a long-term relationship with the client. In the long-term 'business only' relationship, a sales person's main role is to negotiate a product or service package that is beneficial

to both parties; even if the interaction is still dominated by adversarial moves, a sales person's service delivery and consultative value make her a creditable business partner. The more the relationship becomes friendly, the more the sales person becomes an equal amongst equals. She takes on the role of an educator for the client, she becomes a client ally and as a consequence, even more than in transactional selling, a veritable boundary spanner whose loyalties are often divided between her own organisation and the client.³²

13.1.1 The sales person as consultant

The term 'consultative selling' has been coined in sales research and practice to describe the situation where a seller "adds value to his customers by virtue of what he knows" (Signorelli 2001, p. 11). In Signorelli's definition, consultative selling is based on a client manager's thorough understanding of the customer's needs and her ability to provide knowledge customers find valuable in the selling process. This aspect of a sales person's self-definition strongly emerged in the interviews carried out for this study. In particular respondents working in the 'business only' relationship mode pride themselves in adding value to the customer's business through their knowledge of a customer's needs, product requirements, markets or business processes. For these sales practitioners, knowing the customer and relating to the customer translates into assisting the customer in optimising his business. They take on an active role in the relationship, they empower the client through their professional knowledge and they lead the client into new business processes or product areas:

But it's also very important that they see in us when we go in, and I talked about partnering before, to develop our business and their business to mutual benefit. But we see our role as educators as well. Not in a patronising way. Because a lot of the

³² This potential danger of boundary spanners' weakened loyalty toward their own organisation seems to be a critical factor in the relationship selling and marketing process; as Walter and Gemünden (2000) point out, more research is required to explore the antecedents and consequences of such loyalty conflicts.

pharmacists they are not business people. They went into college for four years, they come out, they may not have any business acumen at all. Next thing they go into retail and they own a pharmacy, your average grocer next door has far better business sense than your pharmacist. They are used to dealing small detail things, and what we like to see ourselves as, which is again going back to that partnership thing, that we become the experts from the business point of view.

Cosmetics

It is a clear sign that the relationship is built on mutual respect and recognition when a client allows the sales person to take the lead in the relationship. Many sales people derive a great sense of enjoyment from the fact that they are on a professional par with the client and that they add value to a client's business above and beyond the product sale:

A lot of our job is about breaking habits. Because if you walk into a pharmacy you have a sore throat, I guarantee you nine out of ten times they recommend the same product because they are used to reaching for that product. Sure they have asked you all the questions, but they still reach for that same product. And that's driven by pure and utter habit. And we try and go in and break the habit: why do you recommend that product. And when you get them to think: yes, why DO I recommend that product, it's just the nearest to me. And they would admit that! They would only admit that if you get on well with them though. So selling is all about breaking habits and challenging people. And what I said earlier about people setting themselves objectives: if you haven't effected a change, if you haven't made a difference when you come out of a call, you haven't done your job, because that's what it's all about, going in and creating a change for the better. Because things can't stay constant, you have to always keep demanding more and challenging yourself.

Cosmetics

13.1.2 The sales person as relationship builder

All sales professionals engaged in long-term client relationships can (and to a certain extent will) be consultative sellers, irrespective of the nature of the relationship. The very fact that their client relationships endure shows that they provide the client with more than simply a product offering. The main difference between sales people working in the 'business only' mode and the ones operating in the cultivated and genuine modes is that where the former concentrate on the economic value they add to their service offering, the latter also focus on the more intangible value they add to their client interactions if they assume the role of a 'buddy' or relationship builder.

As a relationship builder, the sales professional conceives of herself primarily as a genuine partner in a relationship that exists to help both sides advance their respective goals:

We very much take the view on customers that we want to partner them. But it has to be to mutual benefit. We support them, but we also want them to support us. It is very very much a mutual benefit, where both parties benefit from a sales rep going in. And that's very important. The days of order-taking are gone. The days even of loading the customer with loads of stock and saying: God didn't I do really well I got a great order - that's completely gone. A sales rep has to realise the customer's true potential. Selling potential and buying potential. And how can a sales person going in identify that unless I know the customer? Unless I know as much about the customer as the customer knows himself? And that's really building up that relationship, getting such valuable information and using that information and using that relationship in a positive way. Not in a mean way, in a positive way that benefits both groups.

Cosmetics

This perspective changes the sales person's focus from her own or her company's concerns to the client's concerns. She becomes an ally of the client who looks after his needs and requirements:

Q: So you say that you have the responsibility for your clients?

A: I do, I do. Rightly or wrongly so, I do. I feel that everybody in this organisation has a sort of a role, their responsibility may lie with having the renewal done, or having it done by Friday. Whereas I have to take total responsibility for keeping the client happy, for all of the schemes they have, I feel anyway. I feel that's part of my responsibility.

Q: What does this involve exactly?

A: It involves meeting the deadlines that they have with clients, it involves providing a good service to them and providing what their priorities are and not what our priorities are. So it's meeting THEIR needs, not meeting OUR needs.

Financial services

Many respondents claim that they derive a great sense of joy from this client focus – one interviewee said that 'it is one of the most wonderful feelings of the world, that you are helping them' [advertising]. Relational sellers seem to appreciate the intrinsic rewards attached to successful relationships as much as (and maybe even more than) the extrinsic rewards that are usually connected to making sales: the interviewees in this study claimed to derive self-worth, accomplishment and stimulation from their relational selling efforts. These intrinsic rewards seem to outweigh the psychological

costs associated with establishing and maintaining personal client relationships, which may be one of the reasons why relational sellers continue their behaviour.

13.1.3 The sales person as boundary spanner

As much as sales people working in the relational mode derive a great degree of job satisfaction from their client focus, it can also be the source of a high level of role ambiguity (Solomon et al. 1985). Sales people in general are a typical case of organisational boundary spanners who represent a link between the environment and the firm (Aldrich and Herker 1977). The sales person is the mouth through which the company speaks to the client, and she is also the channel that brings information back into the organisation. As Boles, Barksdale and Johnson (1997) point out, the lines of communication between two firms become stronger the better the relationship building abilities of the sales representatives are. Sales people know that it is their task to 'bridge the gap' between two organisations and between the individuals in the organisations. Facing the client, the sales professional has to represent her company and its interests. In her own company however, she represents the client and fights the client's fight internally:

I have probably become more assertive with people internally than three years ago. Because I have to. It doesn't help your popularity hugely, but my job is to deliver for the client. [...] Sales people like myself and other account managers, not just in this organisation but in others as well, they get pressure from the client to have things done, so people in the servicing area are NOT under the same pressure from the client, do not see the urgency in a lot of cases, and then there is conflict. That's actually what has happened with me as well. The situation is that I deal with a lot more people and a lot more things internally. I also have a lot more enemies.

Q: So you are really fighting the battle for the client internally?

A: Yeah, I mean our job is to represent the client. Without impinging on *'s profitability obviously. But where service issues are concerned, our job is to represent the client's point of view.

Financial services

Such behaviour becomes possible only if the sales person 'takes the role of the other' in a very literal sense. The sales person has to project herself into the client's situation. She

has to know enough about his needs and requirements to understand his actions and she has to develop a feeling of 'oneness' with her client:

And number two, that one of the major currencies of a good sales person is that they create a tremendous EMPATHY with the customer. They have this thing that they are almost on the customer's side against the company in some ways. [...] Almost as if they are able to sort of come along and put the arm around the customer's shoulder and share his problems in some way.

Telecommunications

Such a high degree of empathy, even if highly rewarding at a personal level, can be immensely taxing on the sales person. She constantly has to balance her loyalties to her own organisation with her loyalties to the clients with whom she has close relationships - in a sense, the sales person has two types of in-group loyalties that she needs to juggle on a daily basis. Thus, however much the self-image of a sales person may change to the positive if a relational selling mode is adopted, this same mode can also create a high level of role conflict that could potentially impinge on the seller's performance.

13.2 Risk of selling oneself

Another consequence of the relational mode is the fact that the product or service offered is not the only object that needs to be sold. Any person who intends to engage in a personal relationship with another individual needs to sell herself to a certain extent - whether it is her personality or external features. In a sales context, selling oneself becomes central as soon as the seller tries to build up a relationship with a client:

Q: These personality differences, do they really influence what kind of business is made?

A: Personalities influence getting new business, certainly they do because the guy I spoke about, the way he operates, he is an account manager in *, the way he does it is he more or less sells himself first and then he sells his company second. He gets a huge amount of personal credence first before he actually sells a scheme. That's just the way he operates, but other people would sell the company name and would sell the company strengths and all that sort of thing. But he sells himself first [...] So personalities certainly do make a difference, absolutely do make a difference in getting new business.

Financial services

If a client has to be persuaded to enter a long-term relationship with a seller, there has to be an incentive for this client on a professional *and* on a personal level. The personal level is often determined by a sales person's personality and conduct, by the way she presents herself in front of the client. Thus, for the relational seller, the selling task becomes a twofold one of presenting her company, her products and services in the best light possible and at the same time selling her own self in order to achieve a long-term relationship with the client. For many of the client managers interviewed, the effort of selling themselves is an instinctive one, often explained by an innate desire to please and to be liked:

There is actually another attitude or quality that people have. It is really important that we are liked. If somebody doesn't like us we really take that personally and we hate that, so to really be liked is important, but that also means that the fear of rejection is all the greater. And if a customer says no to you, it is really, really hard.
Cosmetics

This respondent expresses the risk that is associated with any endeavour of selling oneself: the fear of rejection. For sales people working in the relational mode, rejection of her products or services also means to a certain extent rejection of self. For this reason, some sales practitioners may be inclined to compromise on the business aspects of the interaction in order not to 'lose face' in the relationship (Goffman 1967). In his studies on the dramaturgical aspects of face-to-face encounters, Goffman calls attention to the fact that

Much of the activity occurring during an encounter can be understood as an effort on everyone's part to get through the occasion and all the unanticipated and unintentional events that can cast participants in an undesirable light, without disrupting the relationships of the participants (1967, p.41).

A refusal to accept a sales offer on the part of the client would represent such a disruption of the relationship between buyer and seller. An acceptance of an unattractive offer on the part of the client, on the other hand, would infringe the implicit relationship rule of mutual benefit. Thus, in a genuine relationship where personal stakes are high,

both actors are likely to avoid moves that could in any way threaten the relational *status quo*. This might be a reason why cultivated relationships, in which both individuals' personal stakes are limited, may be a more judicious mode of operation than the attempt to establish genuine relationships in situations of intense competition or in markets where product margins are tight:

Q: Do you miss your customers if you lose one?

A: Oh yeah, it's personal, oh yeah it is. I don't care how big or small. It's not good, I lost a number of customers last year when a new competitor entered into the market because he used to work in * for 15 years so he had such a strong relationship with them, they went with him. I feel as if I have let them down in some way and that I have let myself down, I haven't recognised what needs to be done. You need to be objective, you can't be all things to all people, you have to be realistic about it, but if it's from your own incompetence then it's your fault, you really have no excuse but if you have done as much as you can and yet - people will surprise you. You bend over backwards for them, fulfil all their needs, and yet they may just feel like a change. And it's nothing to do with you and you don't need to take it personally, but I don't like losing accounts.

Catering

This sales representative operates in a market with highly 'promiscuous' buyers. In such an environment, a sales person may have to face constant rejection that could undermine her self-confidence and self-esteem if taken as a rejection of her own person. Two strategies can help a sales person reduce this risk of exposing herself: rationalisation and distancing strategies. In the above quote, the respondent makes an effort to come to terms with the seemingly irrational behaviour of his clients by reassuring himself that the rejection has not been triggered by any of his actions. Such attempts to rationalise the suffered rejection are recurrent in sales professionals' accounts:

There was one big thing right at the start where I got 10 per cent and our competitor got 90 per cent of a client and again I took that quite personally because the guy was a friend of mine, and I never said a word to him for a long time, just bailed off as normal, but inside I couldn't understand why we didn't deserve it, but I didn't want to ruin it. But eventually I just couldn't anymore, so I rung up and the reason we didn't get it was our music mix. * [the competitor] has a younger mix and it was more in tune with the product, it was a beer, and the beer company itself felt that * was more what they were at, the drinking beer from the bottle brigade. So it made sense then, there were logical arguments to it, it was a rational thing, and I learned from it because I had sat on that one for a while as well wondering why I only got 10 per cent when I wanted at least 50 per cent. So I learned that if you go and ask 'why didn't I get it' it's not necessarily you, there's probably a very

good reason why you didn't get it, it's not always your fault. I don't think I ever lost a sale because of me, I genuinely don't.

Media

Beside rationalisation, another strategy to cope with rejection in client relationships is to distance oneself from the sales persona that engages in the relationship with the client. In order to avoid the hurt associated with being turned down as an individual, the sales person creates a sales *persona* that is engaged in relationship building. Such a notion of putting on a sales mask is evident in a number of interviews:

Q: Are you best friends with some of your clients?

A: No. THEY think I am. When I am with my client they think: 'Jeannie, this guy is interested in nothing else but me right now'. That's the type of relationship that I nurture. But I have to be aware that I need to keep a distance.

Catering

Goffman (1961) calls this dissociation of the individual from the role enacted 'role distance'. Such role distance is often a sign of defensiveness if a role is adopted that could challenge an actor's self-image. In the case of the sales interaction, role distance can help a sales person come to terms with the rejection: what is rejected is not really herself, but only the person she portrays to be in the sales encounter.

The fact that even 'genuine' client relationships involve a substantial amount of *mise en scène* is also one of its distinctive features. Even though Goffman (1959) illustrates that all social relationships are based on a minute dramaturgy, the scope that the actors have in their role enactment is much narrower even in the most 'genuine' sales relationship than in any outside friendship. A lot of the interviewees, even though they claim to maintain 'genuine' relationships with their clients, admit that they still have to adhere to certain role expectations during a sales call:

A lot of sales people probably have a really lonely life. But when you are in front of a customer, you are a different person. You HAVE to be. You are being yourself, you are genuinely yourself, but you are selling. You are there to achieve something. And you come out and you think: how did that go, could I have made something better? And you move on to the next call, and when you get to know somebody, and you get to know people, sometimes you can go in and: how is it

going? And you say: traffic was terrible and the weather is bad. That's the worst thing somebody can do. Somebody who works in a pharmacy, they are used to people going in complaining, so they don't need you as well. So even if you are feeling terrible just go in and smile a little bit and just be nice, not jerky, but a bit of fresh air, because they will then identify you coming in as something good and something positive as opposed to: God, here's your man, he is as sad as your old woman with the cough.

Cosmetics

Thus, even when being 'herself' in a sales call, there is an onus on the sales person to be true to the performance expected by her fellow actors. In terms of this *mise en scène*, the only real difference between 'genuine' relationships on the one hand and 'business only' or cultivated relationships on the other is not that impression management is less important in the latter than in the former, but rather that its importance is obfuscated. Although both parties pretend to be 'genuine' in their conduct they follow a highly prescriptive script of acceptable behaviours; behaviours that are beyond this range would upset the choreography of the sales call.

To summarise, both strategies, rationalisation and role distancing, are important tools that help a sales person balance out the risk of personal involvement in a relationship that can be terminated by the other party at any moment. While feelings of self-worth can increase through the establishment of close client relationships, the self-esteem thus derived can simultaneously be jeopardised by disruptions in the relationship. From the perspective of personal fulfilment and job satisfaction, personal client relationships are therefore a double-edged sword.

13.3 Owning the relationship

A corollary of the personal risks taken by the relational seller is a strong sense of ownership of the client relationship:

Q: You as * [the company] have a relationship with this person or you as D. [respondent's name] have a relationship with this person?

A: Good point. Me as D. certainly understand, and I represent my company, and I would channel that relationship through my company. So they are aware of the nature of the relationship. But not to the same degree as I would be. So if I walked out tomorrow, they wouldn't be able to pick up where I have left off.

Q: Even if they have a sheet of paper with all the information about the client?

A: But the sheet of paper with all the information is one thing, but it's actually how you personally bring it through, the individual. They may have all the information and they may be serving the customer and it'll go an awfully long way, they're hitting their expectations and they are fulfilling their needs, but exceeding their expectations, it's when you actually talk to the person, you talk a different language.

Catering

The 'different language' that is spoken between two individuals who have built up and nurtured a personal relationship is the language of implicit understanding. It is a result of the personal face-to-face experience of the other and of the risk that was accepted by both individuals when engaging in the relationship. It is also the result of the socialisation process that has given rise to a shared definition of the roles enacted and the dramaturgical rules followed. In short, it is an expression of the difference between the 'we relationship' of the buyer and the seller and the 'they relationship' between the buyer and other actors in the seller's organisation (Berger and Luckmann 1967). Individuals within such a 'we relationship' are irreplaceable: if one individual leaves the relationship, this particular relational constellation is terminated. Any other individual has to develop a common basis and a common language with the client afresh. From this perspective, even though the client 'belongs' nominally to the selling organisation, the relational space that a particular sales individual develops with the client belongs uniquely to the two individuals involved in the relationship:

Q: Would you say you are substitutable in your job - not with regard to your capabilities, but from a personality point of view?

A: At the moment no, the reason being quite simply that until very recently I was the only one working for the company here. And I formed relationships with people and engineered situations to our favour, which, if I departed in the morning, would DEFINITELY fall apart, and which would take somebody else irrespective of their abilities etc etc a year, maybe two years to reorganise. ... Basically there are chains of communication that we would have within the business that just couldn't and wouldn't be reinvigorated for some time to come. They would be lost. It's a web, you just can't stitch a web together again. They are business relationships, but they are personal contacts.

Building materials

This difference between 'business relationships' and 'personal contacts' is a reflection of the above discussion on information technology and practices of staff changeovers. Even though the contours of a business relationship can be objectified in words and numbers, the real measure of a personal contact remains with the individuals involved. The fact that many big firms now establish a process of buyer rotation, in which buyers are regularly transferred to other positions, shows how threatening such a shared reality between buyer and seller can be for the affected companies.

13.4 Effects of relational selling on a sales person's power base

It was briefly mentioned in chapter 8.3 that a close buyer-seller relationship is characterised by a more symmetrical power distribution than transactional interactions. This consequence of a seller's relationship building efforts seems to be a highly significant one. In the social psychological literature, five bases of power are identified: 1) coercive power, 2) reward power, 3) referent power, 4) expert power and 5) legitimate power (French and Raven 1959). In a buyer's market, namely in any situation where the buyer has a choice between comparable products or services and no contractual or factual commitment to any specific supplier, the buyer-seller relationship is governed by a high level of power asymmetry: the buying firm enjoys the capacity to punish the selling firm by withdrawing orders if it fails to comply with a request. Thus,

the buying firm derives its power mainly from a coercive power base. This power asymmetry can only be levelled out if:

- a) the selling firm can counter the buyer's coercive power through an equally strong coercive power base, which may be the case if the selling firm has a highly recognised brand,
- b) the buying firm agrees to relinquish a certain amount of its power by engaging in a contractual relationship with the selling firm and thus voluntarily decreases its coercive power (Weitz and Jap 1995), or
- c) the sales person representing the selling firm obtains a certain amount of power by increasing her referent or expert power (Busch and Wilson 1976).

Expert power in a sales context, as defined by Busch and Wilson (1976), is based on the buyer's perception that the seller has valuable knowledge, information or skills in a relevant area. Referent power is based on the level of interpersonal recognition between buyer and seller (Zemanek and Pride 1996). Both power bases expand if a sales person engages in a personal relationship with a seller. With regard to expert power, many sales professionals are aware that their own power base increases if they can show that they hold business knowledge that is valuable to the client:

Q: What is it in a relationship that can help to circumvent power issues?

A: I think it's respect for one another's area of expertise. The clients I have a very good relationship with respect the fact that we're the expert in communication, and likewise I would never tell them who their target markets are or what their product is about, because that is their area of expertise and I would never know or get a deep understanding for that. So it's respect for one another's area of expertise and letting us do the job we do best.

Advertising

'Respect for another's area of expertise' usually increases with the frequency of exposure to the other's knowledge base, but it does not necessarily depend on the closeness between buyer and seller (see chapter 8.2.3). This means that in all three

relational modes, the 'business only', the 'cultivated' and the 'genuine', a sales person's expert power can provide a significant counter-weight to a seller's coercive power:

Once every three months I would get them in here as a group and they are competitors of one another, but we get them together and we discuss various marketing issues, and we try and bring our marketing knowledge, what we have learned, to them as a group and we encourage discussion. We had one where we brought a person in from a bank who direct-market credit cards to affinity groups. He gave them a speech, and I gave a speech as well and they left us with more knowledge than they had when they came in. So again getting out of the technical space we would try and generate an idea with these brokers that we have expertise in this area: this is more than just about prices, this is about knowledge, this is about marketing.

Financial services

If expert power is independent from the closeness of the buyer-seller relationship, referent power is a direct result of the development of intimate knowledge of the other.

If expert power can theoretically be transferred from one sales individual to the next if the client can trust that both individuals have a similar background and training, referent power is highly dependent on the individual sales person nurturing her client knowledge. If expert power assists a sales person in keeping accounts through the value she adds to her clients' business, referent power puts the sales person in a position to expand the business because she can influence the client on a personal level:

I often say that the size of your relationship will determine the flexibility or the ability to which you can do things in the pub. If you got a good relationship, you can do anything. But if you haven't got that relationship, he probably won't take in the extra tap for you. He probably won't do that and the other for you. That will be the size of your relationship. If you got a good relationship with a publican, and if you want to put your drip-mats on the table, and no * and no * [competitors' brands], you'll get it. But if you don't have that good relationship with him, you won't.

Brewery

Even if both parties hold a certain degree of expert and/or coercive power, referent power as a non-coercive power base works at a different level than other power bases (Zemanek and Pride 1996). To use a retail example, through a manufacturer's coercive power a client may be compelled to take on a certain product; it is the sales person's

relational power however that affects how much support this client gives to the product or which placement it will get:

For us, the big problem is not so much sales. * has very strong brands that are supported by strong advertising, so the store manager needs to get them in. The real problem is shelf space, space on the counter. Confectionery items are 60-70 per cent impulse purchases, so it really depends on the placement. This is where a good sales person can influence the store manager if he knows how to do it.

Confectionery

Through referent power, the sales person can manipulate an account to a degree that exceeds any control through coercive power. Furthermore, in situations with a high level of power asymmetry, a sales person's referent power is the only means to achieve some balance in the buyer-seller relationship:

And obviously personal relationships are even more important for weaker brands; I know for a fact that some store managers keep products just because they know the sales guy for years, even if they shouldn't have the product on the counter at all.

Confectionery

From the perspective of power structures *within* the selling organisation, it is likely that if the sales person gains a high level of referent power through her personal relationships with her clients, she also increases her internal power base (Doyle and Roth 1992). As this source of power is attached to the individual sales professional, it is non-transferable: if a sales organisation depends on referent power to balance out the buying firm's coercive power, it also depends on the sales individual to stay with the organisation. Thus, intimate knowledge of the customer not only translates into power in the relationship with the customer, it also translates into internal power for the sales person. Knowledge of the customer, if used to develop a relationship with the customer, very much *is* power in a sales context.

13.5 Effects on negotiation

If a sales person's power base increases through expert and referent power, her ability to negotiate favourable business deals will grow as well. It seems that the formal sales

negotiation is an area where the effects of customer knowledge and personal relationships are most obvious. In a transactional and 'business only' scenario, both parties try to gain the upper hand over each other; power bases such as coercive and legitimate power are used to gain advantage in the business deal. In a negotiation scenario where both parties are engaged in a close personal relationship, such opportunistic norms no longer apply; instead, they are supplanted by relational norms (Heide and John 1992). According to Heide and John, relational norms imply that both parties strive to achieve mutual benefits, that both parties are flexible in their expectations in order to achieve such benefits and that any information that could enhance one party's negotiation stance is laid open to the other party. The following excerpt illustrates how the establishment of relational norms in the client interaction can change the negotiation strength of a sales person:

So one client in particular, the very first time I went out to meet them I was more or less laughed out of the office, because they just thought * were rubbish and they weren't prepared to give us any business. And so I really feel very strongly that I really turned the relationship around there, and we now have a very good working relationship, and in fact we set up an initiative with them in July of last year for a product, and we expected a lot of business to come in from them, and it didn't, to be perfectly blunt. And I am going out to meet with them on Wednesday, together with the product manager who helped to set up this initiative, and I feel in a very strong position in that we will have a pretty tough meeting about why we are not getting the business they have talked about when it was set up. Now two and a half years ago I would have kind of gone in here grovelling with my tail between my knees, pleading with them to just give us a second chance. Now I am going in there in a totally different light. And I will be saying to them: you have a lot of existing business here, and you asked us to give you the discounts on this particular product, and we are quite happy to give you the discounts for all the existing business, but that was on the understanding that a lot of new business was going to come our way. And if the answer is: well, we haven't picked up new business, then I have a spreadsheet here that I have gone quite in detail with showing all the quotations that we have provided for new business, but where are those schemes didn't move to us. So where they went I don't know. So I want answers on that because I am prepared to give them a discount on the existing business on the understanding we are getting new business. So as I say that's how I know the relationship has changed. Two and a half years ago I couldn't have had that kind of meeting with them.

Financial services

Through the establishment of a relationship with her client, this respondent feels empowered to demand flexibility, open information exchange and solidarity from her counterpart, provided that she is willing to deliver the same. In the view of many respondents, rather than inhibiting a strong negotiation stance, a good personal relationship is an asset in a negotiation because it promotes more equitable norms of exchange.

If relational instead of opportunistic norms are adhered to, not only the content of the negotiation changes, but also its form. If both parties trust that the other engages in the negotiation by divulging all relevant information and by seeking to achieve the best outcome possible for both parties, bluffing and pretence become superfluous. Both parties can put their arguments forward without fear that the other will take advantage of this honesty; thus posturing will diminish. In some situations where the buyer has come to the stage of trusting the seller implicitly, the need for formal negotiation seems to vanish almost entirely:

Q: So a relationship even makes negotiation easier?

A: Absolutely. Oh yes. There's no such thing as negotiation once you got inside their heads. Effectively. There's always a little bit of negotiation, but the level of negotiation and selling to a client goes down the stronger the relationship is. M. would be a great example. I rang him up the other day and said: You are buying this. And he says: "No I am f*ing not". I says: "You are". "I am not. I have no interest in buying this." I says: "I have already told them you are buying it, so you are buying it." "Oh R., you bullocks, bla bla." And eventually, he finished the phone call: "Alright, we'll do it then."

Real estate

This scene describes a situation where the importance of negotiation has been reduced to a sheer ritual. As part of the generic role script of a buyer and seller interaction, it is still nominally adhered to, but it does not factually affect the outcome of the business interaction.

It has to be pointed out that even though referent power, which is gained through closeness to the customer, increases the negotiation strength of the sales professional,

the actual effect of relationship quality on negotiation strength is doubtful. If referent power is established through a deep understanding of the other and a relationship is built on *mutual* understanding, both the sales person *and* the client will draw referent power from the relationship. A number of interviewees are conscious of the fact that a personal client relationship also augments a buyer's influence power over the seller:

Q: Do you have buyers who would be your friends?

A: Not particularly. Not that I consider, and I don't think they consider me as a friend. If I was buying something from somebody, I would buy something from a friend but I probably would think that I didn't get the best deal.

Q: Why is that?

A: Because I'd always think that, for me as a buyer, and I don't have any experience as a buyer, but I would think that it is practically impossible to get the best deal of somebody who is your best friend. Just the same as if you are buying something of your family you are never going to get the best deal because you are never going to be tough with them, are you? You can't really be tough with them.

Q: So it would impinge on your negotiation strength?

A: Yes, exactly, that's the nail of it, it **WOULD** impinge on my negotiation strength. You couldn't turn around and walk away and say: No, that's not a good enough deal. You would probably think subconsciously I am not getting a good deal but I can't really walk away here. Cause that would impinge on our friendship. [...] I know a lot of salesmen who would tell you that their customers are their best friends, and that's how they are so successful, but I think that's a load of rubbish. I think that's nothing to do with it. Perhaps, my father has been a great influence on me, he wasn't a salesman but he owned his own business, he was in the cattle trade and he was dealing cattle, he used to buy and sell them. And he always said that dealing with family you couldn't make money out of it. Not more than you could make money dealing with friends. And I suppose that's my attitude to it.

Machinery

Through the very fact that a close relationship is based on mutuality, *both* parties' referent power base will increase in a buyer-seller relationship and more than likely cancel each other out. Rather than affecting the actual level of influence of one party over the other, the most important effect of a close client relationship on negotiation is that opportunistic norms of exchange are replaced by relational norms – or 'the rules of friendship':³³

³³ As these issues of power and control seem to be a central motive of relational practices in industrial selling, chapter 14.5 will provide a theoretical underpinning to the argument here presented.

When I first met him to do that deal years ago, I was unsure of where it was all going to lead [...] Like I wanted X and they were only prepared to pay Y, and what was my argument to get X, they had all the arguments why I shouldn't get X and I had all the arguments why I SHOULD get X. So it worked ok. So this morning when he called me I said: hold on I don't know what you are going to spend next year. Now that's his trump card in the deal that I don't know how much it is. And 2 or 3 years ago I couldn't have said that, he would have said: yeah, that's right, you don't know. But now I said to him: look, I need to get a bigger picture. So we become friends and I find it easier that you can actually raise the subject. When you are friends with somebody, you put it back: hold on, don't screw me, we're mates, so if you screw me I will tell you not to screw me.

Media

13.6 Effects on sales

From the discussions on power and negotiation above, it becomes apparent that a direct relationship between the relational quality of the sales interaction and sales outcome is difficult to establish. A close client relationship provides a more equitable ground for sales negotiations, but it cannot fully determine the profitability of the business deal for both parties. In the interviews conducted, talk about the actual sales outcome was conspicuous by its absence. None of the sales professionals interviewed broached these subjects directly. Surprising as this may appear for a profession that is still largely compensated on a performance basis, Farber and Wycoff (1992, p. 50) observed the same phenomenon in their study on successful relationship selling:

Interestingly, none of the superstars we interviewed talked about complex closing procedures or overcoming objections. In fact, very few of them even have to try to close a sale. On the other hand, all of them emphasized the importance of relationships.

If prompted for the reasoning behind their relationship building efforts, most of the respondents pointed to their career advancement as a justification of the relational selling approach rather than to concrete sales results. Even though most of the relational sellers interviewed claim to derive a positive end result from their relational activities, it almost seems as if the relational task and the actual selling task are somehow divorced in the sales professionals' minds:

Q: Is there a difference between an account manager and a salesman?

A: Well, there is, yeah. I think a sales man his job is 100 per cent sales. He got a target and he is out selling every single day. Whereas as account manager we have obviously a sales target and that's extremely important and probably that's 70 or 80 per cent of our job. But we have a large portfolio of existing clients as well and we have to make sure that our clients are happy with the service and the backup that we are giving our clients and those things. So it's a dual role. Sales is obviously very, very important and a lot of measures that are put up for us are on sales, but managing the existing client base and managing the existing relationships is also very important.

Financial services

This perception of performing the 'dual role' of a sales professional on the one hand and of a relationship professional on the other may explain why, contrary to expectations, interviewees did not talk about sales figures, commissions or targets. Since all of the interviews began with questions about their customer knowledge, respondents seemed to have slipped into their role as relationship manager rather than their sales role. Another explanation for the absence of any mention of sales outcomes may be the difficulty attached to quantifying the results of the relational activity:

But suddenly I am doing this full-time, just trying to network, trying to develop open doors and relationships with people we don't currently have relationships with, and it's hard to see the short-term payback for that, but the long-term payback will be huge, and one example is that some of the business we get can take a long time to bring to a head, and we this year got the scheme, an umbrella pension scheme for all IBEC members, which is the business and employers federation, so it's the employers' organisation, so we now have got that business. It has taken us three or four years of simply developing the relationship with that organisation, without knowing if we get the business. So what was I doing for the last three or four years? But suddenly the business comes in which is the return for that but took a long time. And a lot of the things that I will be doing will take a long time to show results, so it's a case of figuring out what is the most effective way of doing the job, how do you measure success, and how do you measure fruitful activity as opposed to activity that is wasted.

Financial services

This excerpt suggests that even though short-term results may not easily be attributed to relational activities, long-term return on the relational investment can be substantial. Sales people who fail to adopt such a long-term perspective may not detect any tangible (short-term) gain from relationship building. Likewise, in highly volatile markets where the longevity of business relations cannot be taken for granted and relational norms may

not be attainable, relationship building activities may indeed not have any positive effect on sales profitability. Anecdotal evidence from the interviews also suggests that the establishment of relational norms is likely to be more critical for a positive sales outcome in service industries, where products are intangible and a client's relationship with the sales rep forms an integral component of the exchange offer.

Based on similar qualitative evidence, Sharma et al.'s (1999) study on the consequences of relationship marketing in three service industries claims to identify a link between relationship selling and higher levels of profitability. However, Crosby, Evans and Cowles' (1990) quantitative analysis of the influence of relationship quality on sales effectiveness and anticipation of future interaction in services marketing does not confirm this relationship. Their findings ascertain that even though relationship quality has a positive influence on future interaction, it does not directly affect short-term profitability. Given such contradictory results even for similar industries, it is likely that the ultimate benefits of the relational selling mode largely depend on contextual variables such as the nature and composition of the market and characteristics of the firms involved. While there is not enough evidence to establish a positive correlation between relational efforts and sales outcome in this study, it can be presumed that as rational actors, relational sellers relate to their clients and sales managers encourage relational efforts in the justified belief that they obtain a positive return on investment on their efforts. Even though most of the intangible benefits may not be as easily quantifiable as the tangible ones measured by Hogan's (2001) experimental model of expected relationship value, relationship selling must ultimately 'pay off' for the individual sales professional as well as for the sales organisation.

Section C: Synthesis

14 Reflecting on sales people's customer knowledge

The last chapters described the empirical investigation and presented the theoretical framework and concepts that were developed on the basis of this investigation. This chapter pursues three aims: for one, it will highlight and summarise the most central findings of the inquiry; second, it will situate these findings both in relation to cognitive selling research and to the relationship marketing domain. Finally, it will put forward an answer to the question of why relational practices in business-to-business selling are as widespread as the current study suggests and at the same time, despite increased attention in the marketing literature over the last ten years, still so poorly understood on a conceptual level. This discussion will also link the empirical investigation to a more theoretical discussion of human exchange processes in general.

14.1 Summary of the empirical investigation

Every relationship between persons gives rise to a picture of each in the other; and this picture, obviously, interacts with the actual relation. The relation constitutes the condition under which the conception, that each has of the other, takes this or that shape and has its truth legitimated. On the other hand, the real interaction between the individuals is based upon the pictures which they acquire of one another. Here we have one of the deep-lying circuits of intellectual life, where an element presupposes a second element which yet, in turn, presupposes the first. [...] Our relationships thus develop upon the basis of reciprocal knowledge, and this knowledge upon the basis of the actual relations. Both are inextricably interwoven (Simmel 1908/1950, p. 309).

This quote by Georg Simmel summarises the findings presented in section B and depicted in the final theoretical model below (figure 6) in its emphasis on the circular link between the knowledge people have of each other and the relationship they maintain. In the last section, this circularity has become visible in many aspects of the analysis of sales people's customer knowledge.

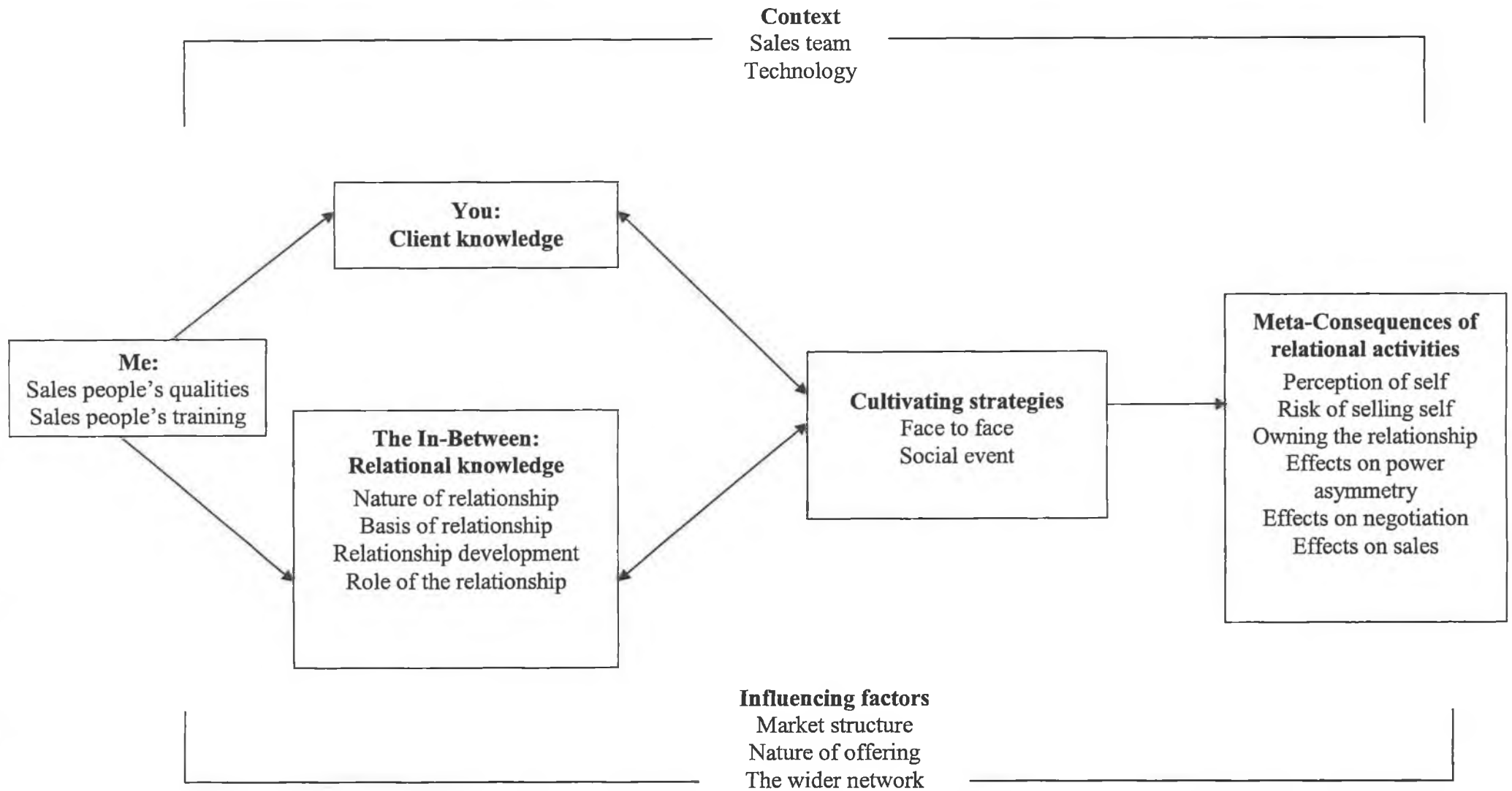


Figure 6: Final theoretical framework: A grounded model of sales people's relational knowledge

To recall some of the main arguments, chapter 7 has shown that customer categories, if used in a business-to-business context at all, do not seem to be central to a sales person's success, as it is stipulated in the cognitive selling paradigm. Sales people do not talk about their clients in terms of categories and they do not seem to espouse any of the available pre-formulated customer classifications such as the Social Styles Matrix (Weitz, Castleberry and Tanner 1995). Rather, they seem to regard every single client as an individual who has to be understood in his own right. Even though their knowledge of the other can be classified according to certain headings – the client's private life, his professional role, his personality and so forth – the clients themselves seem to defy classification.

This finding does not necessarily contradict previous schema research in sales. Most of the studies on sales schemata have been situated in a transactional selling environment where a quick and fairly accurate evaluation of a client's personality and needs on the basis of a limited number of cues is the most effective way to adapt one's own actions to a client's requirements. However, as everybody knows who is involved in personal or professional long-term relationships, after an extended period of exposure to a certain individual, personal knowledge of the other in diverse contexts and dispositions becomes so elaborate that it can simply not be contained in a restricted number of categories without substantial impoverishment. A simple exercise of classifying one's best friends or partner illustrates that such categorisation mostly resorts to stereotypes and the feigned naïve view of a person encountering these individuals for the first time. The numerous facets of intimate mutual knowledge get lost in such forceful typifying. Likewise, in the course of a long-term buyer-seller relationship, sales people appear to accumulate so many details on clients that the existence of client schemata becomes meaningless – 'categories of one' are cognitively inefficient and functionally useless.

Thus, contrary to Hunt and Bashaw's (1999) contention that relationship participants use piecemeal processing of information during initial interactions and then switch to category-based information processing, this study demonstrates that sales people involved in long-term relationships quickly shed initial classifications (if held at all) to favour a more complex form of understanding of their relational counterparts.

As described in the previous chapter, the development of such detailed client knowledge has a number of important benefits for the sales person. The most significant of these benefits seems to be that through the accumulation of such detailed knowledge of the other, the relationship participants are able to connect on a personal rather than formal level. While formal role prescriptions form the basis of relationships in which participants have little knowledge of the other, the development of individual knowledge allows the relationship to be established on the basis of personal attachment. Such truly personal relationships are non-transferable: through their personal knowledge, relationship participants create a unique relational space (McCall 1970).

Alongside the knowledge of customer details, the sales person, through relating to a client, develops a stock of knowledge on the relationship itself: this is knowledge of the nature of the relationship, of its basis, its development and what effects it has on the sales interaction. Both stocks of knowledge, the relational and that of client particulars, expand through prolonged interaction with a client; relational knowledge especially is predominantly experiential knowledge that sales people develop and use in their everyday activities, but that is only rarely externalised. It is most often in moments of 'breakdowns' (Weick 1995), namely when encountering difficulties with a client, that a sales professional becomes aware of and able to reflect on her taken-for-granted knowledge of the client relationship, which may explain the high number of instances of 'failure' reported in the interviews.

Sales people intuitively or explicitly know that the client relationship as well as their knowledge of client details can be actively furthered through what, with reference to Bigus (1972), has been called cultivation strategies. These strategies are heuristics employed by sales people for two reasons: either to persuade a client to enter a relationship or to engage in it at a deeper level than previously, which in turn will increase her knowledge of the client, or alternatively to discover more details about the client, which in turn will enhance her chances of engaging the client in a close relationship. Through the use of cultivating strategies, knowledge of the client and the relationship with him are thus developed in parallel: they become, as Simmel recognised, 'inextricably interwoven'.

This strong connection between a sales person's customer knowledge and her relational activities explains some of the idiosyncrasies of knowledge sharing and externalisation in sales departments that have previously remained unaccounted for. For instance, if a sales person's customer knowledge is embedded in the client relationship, customer databases can capture only a fraction of this knowledge – the 'data-derived customer knowledge', as Davenport (1998) called it. More informal methods of knowledge sharing in the sales team such as rap sessions or individual sales meetings with the manager are more effective in eliciting the 'thick' anthropological client knowledge a sales person holds. A corollary of the fact that a sales rep has to 'earn' her intimate knowledge of the client through her relationship building efforts can be seen in a general reluctance to share this knowledge with a new incumbent. Most of the time, new sales reps have to start building their own knowledge base from the very basic level of externally available customer information. Just as the highly personal effort that goes into forming and maintaining a relationship with another individual leads to a sense of uniqueness of that relationship, knowledge acquired through the same process will be

perceived as intrinsically personal and non-transferable. Learning by doing, that is by getting to know a client and relating to him, seems to be the *via regina* to developing the rich wellspring of customer and relational knowledge that an experienced sales person typically holds.

14.2 Sales people's thrownness and their relational theories-in-use

The present study set out to depict sales professionals as knowledge workers. What it demonstrated was that sales people are knowledge workers in a much more encompassing sense than previously assumed: it showed how rich not only their knowledge of clients but also their understanding of client relationships is, and it showed how closely connected both stocks of knowledge are. Even without substantial training in customer relationship management (and thus an opportunity to develop 'espoused theories' of relationship selling), many sales people appear to follow a 'theory-in-use' of themselves as relationship experts (Argyris and Schön 1974). This great emphasis on relational practices is most likely a consequence of the business-to-business terrain in which the respondents of this inquiry operate. Business-to-business sales people are placed in a situation where they have to sustain repeated and often intense interaction with clients from which they are expected to produce a certain result. Both the longitudinal and the instrumental aspects of the relationship necessitate a certain amount of interpersonal efforts from both participants, efforts that are primarily based on an (implicit) awareness of "how to make the marriage work" (Gabarro 1990, p. 95). Sales people need to dedicate a large part of their cognitive resources to comprehending the state of the relationship, the participants' respective roles, their characteristics and their mutual interaction, if they are to achieve any results from maintaining a particular relationship. That such relational knowledge frequently remains implicit in the actions of the knower is due to the fact that relational activities are

always situated activities. Sales people seem to test their understanding of the client and of the client relationship in their efforts to develop the ‘marriage’ further. If these efforts are successful, their understanding is confirmed; if they are fruitless, their understanding is adjusted. Thus, sales people’s relational ‘theories-in-use’ develop as a result of being *thrown* into a situation where relational understanding is required.

It is not a coincidence that Heidegger’s notion of *thrownness* emerges in this context. Relational knowledge is indeed a prime example of Heidegger’s notion of ‘cognition as *praxis*’, which Winograd and Flores (1986, p. 33) illustrate as follows:

In driving a nail with a hammer (as opposed to thinking about a hammer), I need not make use of any explicit representation of the hammer. My ability to act comes from my familiarity with *hammering*, not my knowledge of *a hammer*.

A sales person’s ability to interact with a client in a purposeful and effective manner comes from their familiarity with *relating*: through their day-to-day relational activities, business-to-business sales people build up a relational understanding that is an intrinsic part of a sales person’s stock of knowledge-in-use. What Acitelli and Holmberg (1993) call ‘relationship awareness’ – explicit knowledge of the relationship – is most often an act of *a posteriori* sensemaking: “People are always in the middle of things, which become things only when those same people focus on the past from some point beyond it” (Weick 1995, p. 43). As Weick points out with reference to Heidegger, such sensemaking occurs in two cases, namely during breakdowns in the *readiness-to-hand* of their relational knowledge (that is when their normal understanding of relationships does not suffice to act successfully in a situation) or through deliberate acts of post-mortem reflection. The interviews conducted for this study represent an instance of post-mortem reflection on sales people’s relational knowledge-in-use. It is interesting to note that in these interviews, respondents were not prompted from the outset to think about their acts of relating to clients. Instead, the connection between questions on their

knowledge of the customers and their ability to relate to these people was made by the sales people themselves, in the same way a person doing the hammering makes the connection between his acts and the hammer as a tool for action if asked to describe a hammer. It is most likely that such a person would not start to describe the physical attributes of the hammer, but instead explain that it is a utensil 'used for driving nails into walls'. The present study showed the connection between 'the hammer' (sales people's customer knowledge) and the 'hammering' (sales people's relational ability) and captured acts of sales people's making sense of their relational activities. The fact that interview questions about customer knowledge proper bottomed out rather quickly is not surprising from this perspective – keeping with the above image, there is only a limited amount one can say about a hammer without starting to talk about the action of hammering, its purpose, its limitations, its dangers, its nature and, ultimately, how it defines the person involved in the hammering.

Relational understanding is predominantly pre-reflective know-how in Polanyi's (1966/1983) sense; it is an ability to relate to one's interaction partner without necessarily being aware of the theoretical prescriptions of social psychology or relationship marketing, just as somebody may be able to ride a bike oblivious to the laws of gravity. For its part, customer knowledge, serving as a tool to put one's relational ability in practice, is situated knowledge in a much broader sense than postulated in chapter 3. It is situated not only because it is modified every time a sales person interacts with a client; it is situated mainly because of its *readiness-to-hand*. It is knowledge-in-use: a tool for action, a means to the ends of relationship development.

14.3 Benchmarks of sales people's relational knowledge-in-use

The preceding description of sales people's customer and relational knowledge is based on an analysis of a number of personal accounts and observational data. It captures the

idiosyncratic, but also, through the process of constant comparison, the nomothetic; it ranges across a variety of industries, but at the same time remains in a culturally bound perspective.³⁴ It is therefore imperative to compare the results of the present study to those of other inquiries into sales people's relational knowledge that are set within different cultural, geographic and historical parameters in order to ascertain the validity of the discussed framework beyond the immediate circumstances of its genesis. This discussion will also highlight the extent to which the present study corroborates earlier findings in the literature and where it has uncovered new vistas for research into sales people's relational knowledge. In the mode of grounded theory analysis, confronting one's own framework to extant literature is an essential step in the cumulative stabilisation of the grounded statement that is being made (Strauss 1987). For this purpose, this section will give a brief overview of developments in the relationship marketing and selling areas and will then review studies that tap into sales people's relational knowledge in a similar manner to the present one.

Although all things relational have been granted a large amount of interest from the marketing and sales community over the past decade, research in relationship marketing often discusses the relational view of the marketing transaction from a normative perspective; primary research, if carried out, has until now concentrated on quantifying conditions and consequences of the 'right' relational approach. Thus, most of this research tested practitioners' 'espoused theories' of relationship development. In addition, while a number of authors discuss relationship marketing at an interpersonal level (for example Jap, Manolis and Weitz 1999), most studies more or less implicitly

³⁴ Doney and Cannon (1997) are the first sales researchers to reflect on the fact that all academic descriptions of relationship selling processes are culturally dependent and may not be transferable to other cultures.

adopt the interfirm level as the unit of analysis. Issues such as the role of trust, commitment, shared norms, values and mutual disclosure are discussed without much reference to human beings enacting these notions at an interpersonal level. The adequacy of interpersonal metaphors for the analysis of interfirm relationships is rarely questioned and the role of individual firm members frequently neglected in these firm-level studies (for an exception see Håkansson and Snehota 1995).³⁵

In contrast with this firm-level conceptualisation of buyer-seller relationships, research in relationship selling underlines the pivotal role of sales professionals and other such 'relationship promoters' (Walter and Gemünden 2000) in accomplishing relationship marketing principles; such research stresses that interfirm relationships only come into existence as a result of their enactment at an interpersonal level. Relationship selling researchers recognise that through the advent of relationship marketing, the role of the sales person has changed from that of an order generator who, at best, skilfully practises adaptive selling, to that of a strategically placed value creator representing the "primary link between the buying and selling firms" (Weiz and Bradford 1999, p. 241). With this sea change in the strategic position that is accorded to sales people, research is slowly starting to shift from testing how sales staff apply prescriptive models of selling to listening to sales professionals' 'practical intelligence' (Wagner and Sternberg 1985). Three studies stand out for the way they tap into sales people's knowledge of client relationships in this sense, namely Beatty et al. (1996), Sharma et al. (1999) and Karantinou and Hogg (2001). As all three studies also use a qualitative research design

³⁵ Möller and Halinen (2000) explain some of the current difficulties of relationship marketing theory and research with the fact that it draws from four distinct roots with divergent theoretical assumptions and methodological orientations.

in their inquiries, they represent useful benchmarks for the analysis of sales people's relational knowledge in this study.

Beatty et al. (1996) studied eleven retail sales associates and their customers in their interactions and analysed the data according to *a priori* themes developed from the literature. Their findings indicate the importance sales people put on trust, friendship and functionality in building and maintaining customer relationships. Trust, as Beatty et al. describe it, is established by "being truly concerned about what is best for the customers" (p. 235); it is associated with respect for the customer as well as self-respect and honesty. Friendship is based on the personal knowledge of the relational partner accumulating over time, and functionality is centred on the equivalent of what has been described as knowledge of a client's mode of functioning in the present study, namely a profound understanding of a client's interaction needs. Thus, even though Beatty et al. do not expand on the connection between mutual knowledge and relationship development, their study confirms the findings of the present analysis that knowledge development and relationship building are highly interdependent processes. Similar to the present study, Beatty et al. also note the psychological costs that relationship building requires on the part of the sales person; their respondents however feel that these costs are outweighed by a deep sense of accomplishment that materialises from relational activities. Beatty et al.'s research participants see enjoyment of the interaction and increased self-worth as well as a high degree of sales person-specific loyalty on the part of the customer as the outcomes of the relational effort. Thus, in parallel to the results of the present study, social motives and rewards of the relational activities are considered more significant for the individual than immediate economic outcomes.

In contrast with this emphasis on the highly personal benefits emanating from a seller's relationship marketing efforts, Sharma et al. (1999) highlight more tangible

consequences in their investigation of account managers in two service industries, namely advertising and travel:

Relational selling provides direct and clear benefits to firms in the continuity of assigned jobs, diminishing importance of price during negotiations, increased learning, positive word of mouth communications, and increased performance and efficiency from the point of view of the supplier (p. 609).

Interestingly, Sharma et al. warn against a “high level of socialization between buyer and seller” (p. 605), as such behaviour may lead to excessive demands on the part of the client. Their study of account managers’ ‘theories-in-use’ concludes that even though relationship marketing promotes an intimate relationship between sales people and customers to the benefit of the supplier organisation, a friendly relationship that “overcomes professionalism” (p. 609) may jeopardise the business relationship. Given that Sharma et al.’s respondents fail to detect any benefits to what the present study has called ‘genuine’ relationships, it appears that the three firms participating in their inquiry operate mainly at the level of the cultivated relationship. Such a relatively narrow view on potential relationship benefits may be a consequence of the small sample used in Sharma et al.’s study, or it may be due to the highly specific industry sectors examined. Incidentally, another relationship threat detected by their respondents is ‘lack of freshness’; a potential drawback to close customer relationships that, in the present study, only emerged in interviews with advertising professionals. In this industry, the constant renewal of the creative element may indeed be more significant than the intimacy brought on by a close interpersonal. It also needs to be noted that even though Sharma et al. (1999) claim to employ a theory-in-use perspective in Zaltman, Lemasters and Heffring’s (1982) definition to analyse sales people’s relationship marketing knowledge, their analysis seems heavily influenced by the hypothetical model and a priori propositions that precede the empirical investigation. However, such course of action is at odds with Zaltman, Lemasters and Heffring’s (1982) description

of the method, which emphasises the inductive element as the defining feature of the approach (see figure 7 for their theoretical model).

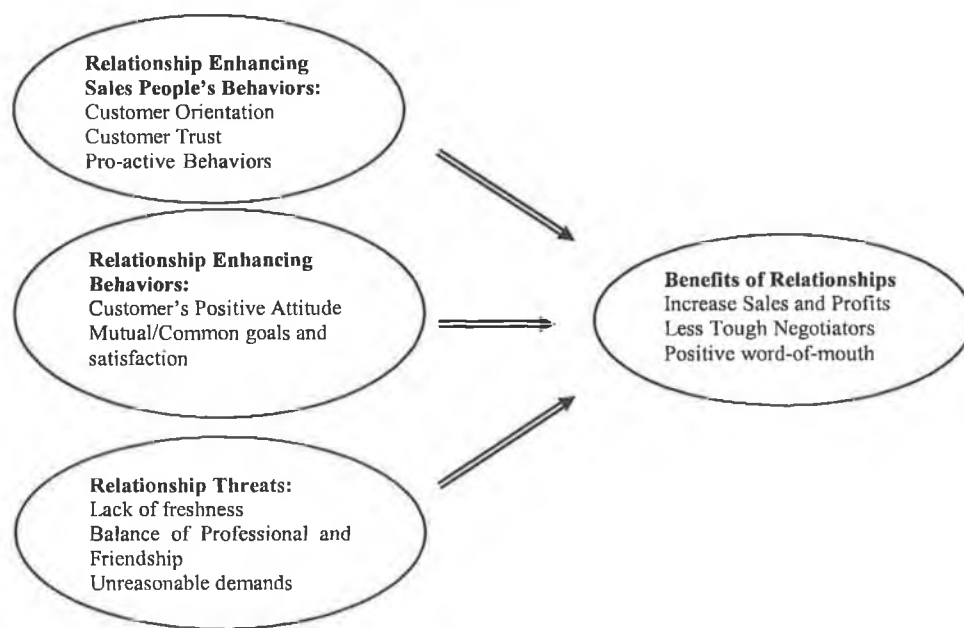


Figure 7: Salespeople's knowledge regarding relationship behaviours (Sharma et al. 1999, p. 606)

While Sharma et al. (1999) describe closeness in buyer-seller relationships as a curve with an optimum and diminishing returns if this optimum is passed, Karantinou and Hogg's (2001) inquiry of management consultants' views of client relationships reveals conflicting opinions as to how close a buyer-seller relationship can be. Some of Karantinou and Hogg's respondents feel that if client relationships become too intimate, the seller loses objectivity and independence, while others consider that the closer a client relationship becomes, the better it is for personal and economic long-term benefits. Whatever their stance on the nature of the client relationship is, most of the research participants in Karantinou and Hogg's study admit that personal factors are the most important source of credence in their business and that in many cases customer loyalty is based on an individual rather than on the company.

To conclude, the few studies that examine the micro-level of buyer-seller relationships from the sales person's point of view provide insights into sales people's knowledge of

their relational activities that both confirm and supplement the results of the present investigation. The significance of the 'personal factor' (Karantinou and Hogg 2001, p. 263), that is the social bond between sales person and customer, has been highlighted by the majority of participants in all three studies discussed. The personal as well as economic benefits of sales people's relational efforts have also been substantiated – relating to customers is both enjoyable and profitable. However, it seems that sales professionals differ with regard to the level of closeness and intimacy they believe to be beneficial between sales person and client in a business-to-business scenario. These conflicting views may be explained by the existence of several relationship modes as distinguished in this study. It seems that the level of intimacy a buyer-seller relationship can cope with largely depends on the particular register in which the relationship operates. In a 'genuine' relationship, honesty, openness of communication and 'the rules of friendship' prevent any one-sided attempt to take advantage of the friendly situation. There is no limit to the degree of intimacy this type of relationship can handle. The major drawback of a highly intimate client relationship in this situation is not that a client may demand too much of the sales person he considers his friend, but that the selling organisation may lose out as an object of his loyalty. If, on the other hand, the relationship rests in the strategic context of a cultivated interaction, the efforts of one party to establish a high degree of intimacy may indeed be used as a weapon against the relational partner. In all cases, it needs to be noticed that even very friendly sales person-client relationships are always subject to the constraints of what Gabarro (1990) calls the 'pragmatic imperative'. Client relationships, as pointed out throughout this study, are functional relationships: they are means to certain (economic) ends – albeit with differing levels of interpersonal attachment and interaction.

14.4 Social versus economic exchange in client relationships

It has become apparent in the empirical analysis and in the previous discussion that buyer-seller relationships in business-to-business selling occupy a very peculiar position: they are situated between the 'pragmatic imperative' of a functional relationship on the one hand and the personal intimacy of a prolonged and often intense interpersonal interaction on the other. In terms of Peter Blau's (1964) social exchange theory, they are a hybrid between economic and social exchange relationships. The tension between economic and social exchange elements in buyer-seller relationships puts both actors in a rather unique position where they have to balance out an economic and a personal risk at the same time as trying to retain as much control as possible over the situation. This rather unique characteristic may help explain some of the apparent inconsistencies in sales people's theories-in-use as described in the different accounts presented above as well as some of the conceptual difficulties in developing normative theories of relationship selling; it also situates the empirical investigation in the theoretical realm of social exchange theory.

Economic exchange, according to Blau (1964), is based on a formal contract that stipulates the exact quantities to be exchanged: the goods or services to be exchanged have a known value that is independent of the parties involved and each party understands their obligations. Thus, economic exchange is based on explicit obligations. Social exchange, on the other hand, is based on implicit obligations: the value of exchanged services is unspecified and enactment cannot be enforced. From this point of view, it would appear that only what has been called 'genuine' relationships in the present model correspond to Blau's definition of social exchange. However, Blau points to the fact that economic exchange involving any type of personal services always includes an element of indeterminacy and is thus closer to social exchange than to the

'pure' type of economic exchange. If a sales person acts as a service provider adding value to the product bundle exchanged above and beyond the services that are explicitly required by the contract that binds both parties, the economic interaction obtains a character of social exchange with its unspecified obligations and implicit expectation of reciprocation. In a business-to-business context that involves consultative services on the part of the sales person as well as face-to-face interaction, the pure type of economic exchange relationship is but an ideal type of interaction that rarely corresponds to the reality of buyer-seller relationships. The 'business only' relationship could be interpreted as an attempt to pursue the maintenance of such an ideal-type interaction based on purely economic exchange and explicit and enforceable reciprocation. However, as it is generally part of a sales person's job to add value to the business interaction in order to differentiate the offering from those of competitors, there will always be a certain (implicit) expectation of a return on their investment in the form of sales or other benefits. The degree to which a sales person's services create a sense of unspecified reciprocation in the client will determine the amount of 'social exchange' in Blau's (1964) sense in the sales relationship. The degree to which these obligations are reciprocated will in turn determine the amount of trust and intimacy that the relationship will allow and the form the relationship will take in the future.

In any social exchange relationship, knowledge of the other and of the relationship dynamics becomes crucial - as obligations are unspecified, it is essential for both parties to find out what the other party needs and values and how to reciprocate in a manner that extends one's own relational 'credit'. The more a sales person is willing to invest cognitive and psychological resources in a client relationship, the more she will learn about making herself valuable to the client. The more she extends her 'credit' to be reciprocated in this way, the better her chances of a higher commitment on the part of

the buyer or alternatively of a levelling of the power asymmetry between buyer and seller. In short, knowing how to best serve a client increases the amount of control a sales person holds over exchange processes in the relationship:

Unilateral services give rise to a differentiation of power that equilibrates the exchange. The exchange balance, in fact, rests on two imbalances: unilateral services and unilateral power. [...] Indeed, a major impetus for the eagerness of individuals to discharge their obligations and reciprocate for services they receive, by providing services in return, is the threat of becoming otherwise subject to the power of the supplier of the services (Blau 1964, p. 28-29).

Interestingly, Blau's distinction between social exchange relationships and relationships that are not primarily based on exchange may also help us understand the difference between the most inclusive form of social exchange in sales, the 'genuine' relationship, and outside relationships:

The broad application of the notion of exchange raises the question of tautology. There is a great temptation to explore the fruitfulness of the concept by extending its scope and applying it to all social conduct. [...] Social exchange as here conceived is limited to actions that are contingent on rewarding reactions from others and that cease when these expected reactions are not forthcoming (p. 6).

In this sense, a sales relationship, no matter how 'genuine', is always oriented toward certain ends; unlike so-called 'communal' relationships such as friendships or kin relationships, the sales relationship is characterised by the efforts of both parties to achieve these ends (Clark and Mills 1979). As discussed earlier, the 'pragmatic imperative' (Gabarro 1990) prevails at all times even in the most intimate and trusting client relationship. The very fact that reciprocation is expected and in most cases delivered displays the exchange nature of the relationship: many respondents admitted that even if they entertained what has been called 'genuine' client relationships, these relationships would most likely come to an end if their exchange partners ceased to reply to their own efforts with rewarding actions.

Blau's discussion of social exchange substantiates the present analysis not only in the emphasis that is put on client knowledge in the pursuit of cultivated or even genuine

relationships, but also in the analysis of respondents' perceptions of the consequences of these relational modes. Sales people who establish intimate relationships with their customers can anticipate a return on their psychological and cognitive investment, either in the form of favours rendered (for example introduction to other players, disclosure of competitive figures, invitations for tender or even preferential consideration in purchase decisions) or as a counter-mechanism that levels out the unilateral power clients usually hold – an issue that will be further discussed below. If 'business only' relationships, like other relationships that do not involve a lot of social exchange, are "low-cost, low-gain behavior" (Kurth 1970, p. 151), more intimate client relationships yield a substantially higher return on a somewhat increased investment.

In all probability, whichever relationship register a sales professional pursues with her clients will depend on the level of psychological energy and time she can invest; it also depends on environmental factors whether a 'high-cost, high-gain' behaviour is considered profitable. In the present retail climate, for instance, low margins and high levels of buyer power may moderate the establishment of intimacy and unspecified obligations to an extent that the psychological costs involved in a 'genuine relationship' become prohibitive. That the 'personal element' cannot – and should not – be excluded even from those types of interactions is highlighted by Jap, Manolis and Weitz' (1999) qualitative investigation of buyer-seller interactions in channels of distributions. Their results show that high-quality relationships between buyers and sellers in a retail context exhibit more friendliness and compliance and less conflict than lower-quality relationships. Relationship quality was also shown to facilitate new product introductions, which proves that personal attachment can have very concrete economic benefits even in highly competitive environments. Some of the respondents of the present study working in such environments seem to know this instinctively. Even if

they claim to pursue 'business-only' relationships, the amount of cultivating that they nonetheless engage in indicates that there may be a discrepancy between sales professionals' espoused theories and their theories-in-use in this regard. Many sales professionals seem to be aware that it makes good business (and personal) sense to get to know the client as well as possible and to establish a high-quality relationship with him. At the same time, they seem to fear that the gains they achieve from increasing their control over the relationship will be offset by a reduction of their perceived independence. The next section will examine the nature of mechanisms that may control unspecified exchange in interactions with a high level of social exchange in this respect; it will also show that the 'high-investment, high-gain' behaviour that is relationship building in business-to-business sales fulfils and at the same time contradicts a basic human need, namely the need to be in control over one's environment and future.

14.5 'Rules of friendship': Power balances in personal relationships

The centrality of trust in Blau's (1964) discussion signals the nature of regulatory mechanisms that govern social exchange. It also mirrors the emphasis that most respondents in the present investigation placed on trust as a basis for intimate client relationships. As discussed, the main distinctive feature between the three relationship types, according to respondents' accounts, is the presence or absence of what some have called the 'rules of friendship'. At the micro-level of interpersonal interaction, these 'rules of friendship' play a role similar to that fulfilled by trust and shared norms as an alternative to authority as a governing mechanism at a macro-level (Heide and John 1992). At both the interfirm and the interpersonal levels, normative control is a highly effective alternative to authoritative control mechanisms. As Anderson and Narus (1990) point out, trust, shared norms and intimacy imply forbearance from opportunism and co-operative behaviours that lead to mutual instead of unilateral benefits. The 'rules

of friendship' have the same function in personal relationships. What respondents seem to understand intuitively as part of their relational 'theory-in-use' has been succinctly put by Hinde (1997, p. 194):

The exercise of power [in personal relationships] is usually limited by the emergence of norms. If a powerful partner A threatens to use his power, B may appeal to a norm of fairness. Or B may threaten to leave the relationship, whereupon A may appeal to a norm of loyalty.

Compare this discussion of the role of norms in personal relationships with one of the quotes from the interviews carried out for this study:

So we become friends and I find it easier that you can actually raise the subject. When you are friends with somebody, you put it back: hold on, don't screw me, we're mates, so if you screw me I will tell you not to screw me. And if it turns out that he HAS screwed you, then maybe he is not such a friend, because friends look after each other, in business AND outside. So the bottom line is, why should he spend any less on his friend, because it's not his money, it's his company's money, so if anything he should be looking out for his friend, that's the way I would see it.

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As seen in the last section, getting to know details about a client such as his family background, mode of functioning, outside interests and career ambitions help a sales person engage the client in social exchange. Through social exchange, mutual trust increases and norms slowly replace other governance mechanisms such as authority or contracts. Once norms rule the relationship, the exercise of unilateral power is moderated, as the above quotes show. As both parties start to 'look out for each other', win-win situations are more likely to occur. Such attainment of mutual benefit is the best insurance that the relationship perpetuates, which in turn ensures future return on investment for both parties (Kelley and Thibault 1978; Macneil 1980). Thus, building and maintaining a genuine relationship helps a sales person arrive at a situation where trust, intimacy and compliance serve as control mechanisms for the achievement of intrinsic and extrinsic rewards.

Bigus' (1972) analysis of milkmen's client cultivating mechanisms arrives at a similar conclusion: for him, sales strategies such as 'nurturing pseudo friendships' or 'effecting obligations' serve mainly as levelling mechanisms to balance out the amount of power a client can exert in the relationships with his supplier. Bigus speculates that such levelling mechanisms are particularly important in so-called low-expertise occupations, firstly because sales people in such industries have no recourse to any other type of power such as expert power and secondly because 'professional ethics' in high-expertise occupations severely restrict cultivating activities. This assertion is not confirmed in the present study. Even if the ethics of cultivating strategies have been questioned by several respondents who see themselves involved in 'business only' relationships exclusively, some of the interviewees in the most high-expertise industries such as real estate and financial services use extensive cultivation techniques to increase their control of the client relationship. Equally, in relation to the amount of cultivating, it has not been found to be an influencing factor whether sales of products or services were concerned. Thus, for Bigus' milkmen in the early nineteen seventies and for high-ticket account managers in the new millennium alike, getting to know how a client 'ticks' and acting on this knowledge by furthering the relationship is effective behaviour that not only results in a growth in the resources exchanged, but also in a more equitable distribution of power in the relationship. Knowledge of the client, *qua* the promotion of relational norms, genuinely seems to increase a sales person's power stance in a client relationship.

This reflection could be at the centre of sales professionals' efforts to build and maintain intimate client relationships. Hinde (1997) points out that issues of power and control are at the very heart of any discussion of relationships: the need to 'feel in control' over one's own destiny is one of the main drivers of people to associate with others. Given

the above discussion, it seems that the need to 'feel in control' over one's own destiny is also likely to be at the core of sales people's relational efforts. Typically, sales people work in a profession that involves high levels of risk and uncertainty; yet, human beings are by nature uncertainty reducers. In such an environment, if a sales person wants to realise one of the "Relatively Stable Characteristics" (Hinde 1997, p. 514) of human behaviour, namely the need to feel in control, she has to increase the level of control she holds over the client relationship. The discussion of cultivating strategies and their purpose in increasing unspecified obligations in the buyer-seller relationship shows how a sales person can achieve this through the promotion of the personal element in the professional relationship.

At the same time, the fear of getting 'too close' to the client that many sales professionals in this inquiry and similar studies express demonstrates that the client also gains a certain amount of control if the relationship moves from a 'business only' to a cultivated to a genuine. The same relational norms that help a sales person balance out a buyer's factual power over a seller also imply the 'norm of reciprocity' (Gouldner 1960), which give a certain amount of control back to the buyer. This means that the closer a relationship becomes, the more difficult it actually is for a sales professional to assess or predict current and future power balances. On the one hand, uncertainty and risk decrease in these relationships, since through the establishment of 'rules of friendship' the sales person can anticipate forbearance from opportunism, reciprocation of unilateral services and endurance of the relationship. On the other hand, power distributions become more complex as unspecified obligations replace explicit obligations and loss of independence adds to the costs of involvement. Even though the sales person increases her own power base, engaging in 'genuine' client relationships presents as much risk to the sales person as keeping client relationships on the level of

economic exchange; the difference is that the risk involved in 'genuine' buyer-seller relationships is harder to assess. Ultimately, the variance in opinion that emerges in the accounts of sales people if asked about the ideal level of closeness to a client may be an indication of the high levels of ambivalence that surrounds close buyer-seller relationships with regard to the risk involved and the future returns on investment. It may be that rather than reflecting market characteristics or levels of competition, the relationship register a sales person chooses to pursue reflects her own ability to deal with ambivalence and uncertainty in her environment. In a 'business only' relationship, obligations are clear-cut and do not usually exceed the economic exchange agreed upon by both parties; with no personal attachment between the interacting parties, a seller may however be replaced by a competitor without warning. In a genuine relationship, the 'rules of friendship' help the sales person on the one hand increase her own power base in the interaction and increase her control over the client through personal attachment; on the other hand, the same mechanisms also increase the client's power base. As Kurth (1970, p. 142) maintains, "in friendships obligations are unlimited". It depends on a sales professional's personality if she is ready to accept the ambiguity that accompanies close personal client relationships or if she is more comfortable with the risk that is inherent in 'business-only' relationships.

To summarise, this discussion presented an overview of the empirical results of this investigation. It pointed out that through its embeddedness in relational activities, the relational knowledge of sales professionals exposed in the present analysis resides at the level of a 'theory-in-use' (Argyris and Schön 1974). A comparison between the present results and those of three similar studies tapping into sales people's knowledge of client relationships revealed that such relational 'theories-in-use' may not always be consistent from one professional to another. Particularly, the question of how much intimacy a

buyer-seller relationship can bear seemed to be a moot point across respondents. As the threefold classification of 'business only', cultivated and genuine relationships drawn in this study shows, there is a spectrum of 'closeness' in which client relationships can be situated. The discussion drew on concepts from social psychology to show that on the one hand, pursuing close client relationships represents risk-reducing behaviour on the part of the sales person that potentially augments her control over the interaction. On the other hand, the closer a client relationship gets, the higher the degree of ambivalence attached to it becomes, which in turn increases the (personal) risk of engaging in such a relationship. Thus, if 'business only' relationships represent 'low investment, low gain' situations with high levels of unilateral power and (more or less calculable) economic risks of relationship termination on the part of the client, 'genuine' relationships represent 'high investment, high gain, high ambiguity' situations that involve a personal as well as an economic risk for the sales person. Future research will have to ascertain whether cultivated relationships truly represent the golden middle, as many sales professionals seem to believe, or whether they combine the worst of two possible worlds by decreasing rather than increasing a sales person's control over her environment.

15 Conclusions

15.1 Summary of the study

This dissertation presented a grounded investigation into sales people's customer knowledge. An overview of philosophical and psychological frameworks of human cognition formed the basis for a review of research carried out in the so-called cognitive selling paradigm and in different streams of the knowledge management arena. This review concluded that while cognitive sales research has until now concentrated on investigating one very specific model of human thought processes, namely the schema-theoretical view, some of the literature in knowledge management has gone a step further in putting forward different conceptions of human knowledge. Specifically, this body of literature revisits philosophical frameworks such as pragmatism and constructivism to suggest that unlike information, human knowledge is intrinsically linked to the individual doing the knowing and to this individual's objectives.

On the grounds of the discrepancy between cognitive research in sales and findings in other areas of management research and organisational psychology, a grounded theory methodology was proposed to investigate inductively the nature and form of sales people's customer knowledge. A number of companies active in business-to-business selling were chosen for a multi-method investigation including observation, depth-interviews and an analysis of IT systems in place. Data thus collected were analysed through a process of constant comparison by the researcher individually and collectively by a team consisting of the researcher and her supervisor. This process of constant comparison resulted in a new theoretical model of sales people's customer and relational knowledge, which provides significant insights into sales people's customer knowledge.

What has been named client knowledge, that is knowledge of client particulars such as personality, position in the organisation, ability, working style and situational requirements, is known to sales people because these are the factors that enable her to relate to the client in the most fruitful way. Customer knowledge, in this sense, is not 'know what'. It is highly pragmatic 'know how' that is acquired for a specific end: relationship building. Client knowledge is the tool that allows a sales person develop and maintain a relationship with the client. A relationship that is typically characterised by both participants' adherence to predefined roles and formal interaction transforms into a more intimate relationship through the accumulation of mutual knowledge. At the same time, as the sales person endeavours to deepen her knowledge of the customer, her relationship to the customer advances as well, and through the development of the relationship her customer knowledge will increase in turn, which in turn allows further disclosure of the individuals involved.

Much more significantly than hitherto assumed, this circularity between mutual knowledge and relationship building emphasises the pragmatic nature of sales people's client knowledge. Even though sales people's customer knowledge has been characterised before as a means to such ends as adaptive selling, its truly relational nature has not been made explicit previously. As pragmatic forms of knowledge, a sales person's client knowledge and her understanding of the relationship also have the same origin: client knowledge is the picture of the client *as experienced* in a sales person's acts of relating to this individual, and relational knowledge is the picture of the relationship *as constituted* by the two relating individuals. Both forms of knowledge are therefore situated in the context of the sales interaction.

This conception of customer and relational knowledge as situated in and constituted by the relationship has major implications for such issues as the use of customer databases,

the hand-over of clients or the skills required of sales professionals. It seems that sales management needs to acknowledge the highly personal nature of customer knowledge: as an example, informal team meetings and debriefing sessions by management seem to be more valuable in sharing knowledge than written reports or shared sales and marketing IT tools. Likewise, the design of customer databases may need to include 'private' areas that are only accessible by the individual sales person.

It is undeniable that in order to develop the wellspring of knowledge of the client and of the relationship that sales people displayed during this investigation, sales people need to invest precious cognitive resources in their relational activities. The discussion of the empirical results has pointed to possible explanations why such substantial cognitive investment may be profitable for the individual sales person. For one, consequences such as the personal enjoyment of the interaction or a higher probability of being invited for a sales presentation increase the sales person's personal and professional payback. More importantly however, the development of an intimate client relationship enables the sales person to gain a not inconsiderable amount of control over the relationship and the exchange processes involved. The active development of intimate relationships in business-to-business selling *qua* customer knowledge can be interpreted as an uncertainty-reducing activity; an activity that allows the sales person to maintain control over her own fate and thus fulfil a basic psychological need of human beings (Hinde 1997).

15.2 Validity of the empirical research

In their discussion of criteria for assessing interpretive validity in qualitative research, Altheide and Johnson (1994) review the debate in the qualitative research community over what constitutes 'good' qualitative research. This debate ranges from the postpositivist endeavour to account for the scientific credibility of the research study

through to the postmodernist position that the very idea of assessing qualitative research contradicts the nature of this type of research. Grounded theory, as explained in chapter 5, is fundamentally a postpositivistic method of inquiry. On the question of assessing research studies conducted in the grounded theory framework, it maintains that “the usual canons of good science have value but require redefinition to fit the realities of qualitative research and the complexities of the social phenomena that we seek to understand” (Strauss and Corbin 1998, p. 266).

In the original version of the grounded theory method, Glaser and Strauss (1967) redefine the standard criteria of good science – internal and external validity, reliability and objectivity – in terms of logical consistency, clarity, parsimony, density, scope, integration, the fit of the theory and its ability to work. Even though Glaser and Strauss do not elaborate on most of these criteria, it appears that they should be fulfilled almost automatically if the grounded theory principles as spelled out in “Discovery” are observed. In some of the later works, the most central of these criteria are developed a little further. For instance, Strauss (1987, p. 21) defines conceptual density as “the multiplicity of categories and properties *and* their relationships” and integration as “the ever-increasing organization (or articulation) of the components of the theory”. It appears that a ‘good’ grounded theory needs to accommodate as many variations in the data as possible while at the same time exhibiting a clear thread that makes it readily understandable to both the lay and the academic reader. However, the apparent conflict between criteria such as density and parsimony is not resolved in the methodological texts - its tacit acceptance can be regarded as another symptom for the balancing act between qualitative and quantitative research modes that grounded theory attempts to accomplish.

With regard to Glaser and Strauss' requirements for 'good' grounded theory research, the present theoretical framework exhibits a substantial number of interrelated concepts that are broad enough to encapsulate a wide range of relational behaviours and that are integrated in a consistent theoretical model. The aspiration to demonstrate logical consistency and clarity has guided the write-up of the analysis process. In addition, the author has tried to adhere to the principle of transparency of analysis in order to enable readers to make their own judgements on these criteria. Data collection, analysis procedures and sampling criteria have been explicated at length in chapter 5, and the analysis of theoretical concepts in section B is accompanied by a large amount of raw data permitting readers to draw their own conclusions on the researcher's treatment of the raw material at hand. The use of the software package QSR NVivo[®] also allowed the preservation of the developing research project at various points throughout the analysis process, thus establishing an audit trail of the framework's maturation. These data are available for examination to third parties if required.

If the first six of the criteria mentioned above – logical consistency, clarity, parsimony, density, scope, integration – represent to some extent characteristics of any sound theoretical framework, the seventh and eighth validity criteria – fit of the theory and its applicability – are more specific to grounded theory. With regard to the fit of the theory with the data, the grounded theory method incorporates a validation procedure in the actual analysis process itself: the method of constant comparison. In the present research, the fit of concepts and of the theoretical framework as a whole with the raw data had been checked on numerous occasions by the time theoretical saturation was reached. Large amounts of data were recoded and categories revised as insights into the substantive area increased. Extreme case sampling was used to seek out negative evidence, and triangulation across data sources and data collection methods was

undertaken in an effort to test the emerging concepts. However, despite all these safeguards, it is still conceivable that the researcher's biases may have entered the framework (Strauss and Corbin 1998). Two validation procedures were built into the present inquiry to thwart individual biases, namely intercoder checks and member checks.

Intercoder checks were carried out throughout the entire analysis process. As mentioned before, all data were first coded by the researcher and her supervisor independently and then recoded in joint analysis sessions. All of the categories included in the theoretical framework were agreed upon by both members of the analytical team; where discrepancies arose, the researchers mutually questioned their understandings of a particular incident or concept until agreement could be achieved. This process of mutual questioning was invaluable in exposing individual biases or misunderstandings; without it, the theoretical framework would not have obtained its depth and analytical generalisability.

Even though not mandated by the grounded theory method, a comprehensive member check was carried out as an additional means to validate the fit of the theoretical framework as well as to ascertain the usefulness of the theory and its ability to work in the substantive area researched. The grounded theory method requires that respondents still be able to recognise their own issues in the story that is being told, even though the final framework represents a highly abstract rendition of the raw data and implies a necessary reduction of the single case (Strauss and Corbin 1998). It also calls for practical relevance of the theory to the research subjects involved: "we who aim at grounded theories believe [...] that we have obligations to the actors we have studied" (Strauss and Corbin 1994, p. 281). The member check allowed to thank respondents for their willingness to co-operate in this study and to provide them with a certain return on

their invested time; it also allowed to verify whether the framework was still 'grounded' in the research participants' life world. An executive summary of the empirical results was circulated to all participants of the investigation together with a questionnaire that asked respondents to evaluate the empirical results.³⁶ Seven of the 36 interviewees returned the questionnaire; another five respondents provided the researcher with verbal feedback on the executive report. Both the verbal as well as the questionnaire feedback were overwhelmingly positive, with comments on the respondents' overall opinion on the report ranging from "Very interesting and a useful piece of work for client managers" and "Very useful – made me think" to "Excellent – well done". One respondent remarked that while the personal aspects of a buyer-seller relationship were important, the relationship would stand or fall with a seller's ability to deliver the demanded product or service on time every time. However, even this respondent strongly agreed that having a personal relationship to a client was beneficial for his business. That the results of the research study indeed have very practical managerial implications was indicated by the decision of one of the respondents to incorporate the report's recommendations into his company's sales training. Thus, the member check ascertained that while providing an elaborate theoretical framework of sales people's relational knowing, this dissertation reflects the experiences of research participants to such an extent that it can give practitioners a sense of control over their acts and serve as a guide for improving practice – it is a *grounded* theory in Glaser and Strauss' (1967) sense of the term.

³⁶ See Appendix D for these documents.

15.3 Limitations of the study

The research study presented here was conducted with the objective of carrying out valid and meaningful scientific research. As with all social science research, however, it has to own up to various shortcomings, partly due to the nature of the phenomenon under study and partly due to practical constraints. The first and probably most significant limitation of the study is its situatedness in a specific cultural, geographical and chronological context. Relational phenomena as well as theories of relationships are culturally grounded: as Ginsburg (1986) points out, the manner in which two people relate to each other and the relational theories we hold tell more about a society's intelligibility rules than about an individual's psychological states. Thus, the research participants' accounts of their relational activities are in the first place accounts of social practices that have been interiorised by individuals through a process of cultural socialisation. The framework of sales people's relational knowledge that has been drawn up reflects a range of socially acceptable and accepted behaviours between sales people and their clients in a business-to-business context in Ireland at the beginning of the twenty-first century. Even though the parallels between this account of relational practices and for example that of Bigus' (1972) American milkmen in the nineteen sixties are strikingly similar, it is more than likely that practices in different parts of the world and at different periods vary from the present framework. For instance, mutual acceptance of intimacy in business-to-business relationships could change significantly depending on the cultural background of the relationship participants. Cross-cultural follow-up studies testing the entire framework or parts thereof could reveal the extent to which the processes described in this study are basic interpersonal interaction principles and the extent to which they are culturally situated.

The second major limitation of the present study is related to the empirical tools used. As discussed previously, it needs to be acknowledged that relational sensemaking differs substantially from pre-reflective relating-in-action. On the one hand, relational sensemaking as a post hoc activity can be captured through verbal reports such as the interviews conducted in this study. Duck and Miell (1986) endorse the use of retrospections in relationship research as capturing a naturally occurring activity that represents an intrinsic part of relationship development:

What is required in this context [...] is systematic investigation of the dynamics of retrospections. These dynamics constitute not an artefact of psychological research but a significant set of psychological processes without which relationships probably do not develop (Duck and Miell 1986, p. 142).

Relating-in-action, on the other hand, is far more difficult to grasp empirically. The observational methods that have been used as part of this research have not succeeded in yielding highly significant data. As this researcher realised, the fact that “the close presence of an observer effectively converts the relationship into a triad” (McCall et al. 1970) makes it virtually impossible for researchers to observe relational activities if they are not themselves part of the dyad. Video-recording as a less obtrusive observational method could be an alternative way to answer Ginsburg’s (1986) call for analyses of what people in relationships say and do as opposed to what they report having said and done. However, the practicalities and ethics of video-taping ‘live’ encounters between business-to-business sales people and their clients seemed to preclude the use of this technique for this investigation.

A third limitation of this study and many others tapping into relational practices is the short time frame in which relationship issues are examined. Cross-sectional studies such as the present one can help gain an understanding of participants’ evaluations of relationships and relationship memories. However, longitudinal studies such as diary approaches could make great strides in charting the actual development of relationships

over time as well as the changes in the relational understanding of the participants. The time and effort needed for such longitudinal approaches would more than likely be offset by the insight that could be reaped. The intentionally short shrift that has been allocated to relationship development issues in this study could be supplemented by a research project that follows the development of a small number of buyer-seller dyads from the first contact to relationship dissolution. Such a project would also compensate for another limitation of the present study, namely its focus on one side of the relationship. At present, the framework presented is a theoretical statement of sales people's sensemaking of their relational and cognitive activities; it is not intended to incorporate the client's point of view. This one-sided focus seemed justified at the beginning of the study as the primary research objective was not to study relational (and thus dyadic) activities, but rather personal knowledge structures of sales people (and thus individual introspection). However, given that these knowledge structures were subsequently shown to be intrinsically linked to relational issues, and given that relating as well as relational sensemaking are joint activities rather than individual ones (Acitelli and Holmberg 1993), the perspective of the second half of the dyad would be highly valuable in adding to the current framework. Even though several researchers have drawn attention to the practical problems that dyadic sales research presents (for example Weitz and Jap 1995), such a dyadic approach seems almost requisite in order to capture the interpersonal dynamics of relational cognition.

To conclude, this study presents an attempt to study an important aspect of sales people's life world, namely their experience of the customer, from the point of view of the 'native'. It not only captures 'thick descriptions' (Geertz 1983) of sales people's customer knowledge, but it also analyses potential motives underlying their relational and cognitive efforts. Its contribution to both relationship research, which has thus far

been mostly normative or based on experiments using student samples, and to the body of research in sales cognition, which has been limited to the study of a single framework, is substantial enough to outweigh the methodological limitations mentioned above. These limitations, rather than indicating the invalidity of the current study, point toward future research projects that can build upon and supplement the present findings. Cross-cultural, longitudinal and dyadic research studies that may incorporate video-based observation will assist in testing and advancing the current findings – in the spirit of the grounded theory method, the theoretical framework here developed is presented as an invitation for further inquiry.

15.4 Methodological implications

A validity criterion that has not been overly emphasised in grounded theory but is central to other modes of qualitative inquiry is that of the researcher's reflexivity (Altheide and Johnson 1994). A brief indication of the researcher's own background and her experience of the chosen methodology may therefore supplement the validation efforts described above.

The baggage this researcher has brought to the inquiry consisted of an educational background in the arts and in business studies, the professional experience of introducing a sales and marketing database into a sales organisation, which prompted her interest in the present investigation, and a personal leaning toward constructivist and postmodernist philosophies. A review of marketing research inspired by constructivist or postmodernist thought however appeared to demonstrate that commonly accepted criteria for valid and meaningful investigation in these traditions are still being developed; in addition, many constructivist and postmodernist researchers still grapple with the legitimacy of doing 'scientific' research at all. In this context of postmodern procrastination, Glaser's appeal to "Just do it" (Glaser 1992) seemed almost salutary for

a young researcher who still has to prove her credentials to the scientific community. Choosing the grounded theory method as a framework for the empirical inquiry seemed justified for the reasons outlined in chapter 5; however, this decision required a suspension of the researcher's doubt in the existence of 'good science' and 'theory' in the positivist/postpositivist sense of the term.

A postmortem of the analytical procedures demonstrates that the present framework is 'theoretical' in that it involves a level of analysis that surpasses mere description and distils the individual case into analytic generalisations, and it is as grounded in data as any theoretically framed statement of individual experiences can be. It is however also a framework that is inevitably infused with the fingerprints of a researcher who portrays herself as the objective narrator of issues that are portrayed as observable and unproblematic to verbalise. The tension between a desire to reflect the lived experience of the research subjects and an effort to theorise this very experience is undoubtedly apparent throughout this research report. It has been exacerbated by an otherwise rather inconspicuous research aid: the computer.

The use of a software package that assists data management and qualitative data analysis has proven advantageous in many aspects: it prompts a highly thorough line-by-line analysis, it promotes a more tentative, emergent approach to the analysis as codes are quickly changed and recoding is facilitated, memoing is supported and encouraged, and links between documents or between constructs are easy to establish and visualise.³⁷ In many ways, the use of QSR Nvivo[®] thus supports and even encourages theory building; however, it also encourages the researcher's distancing

³⁷ See Fielding and Lee (1998) for a discussion of the advantages and disadvantages of computer-aided qualitative data analysis.

from the life world of the research subjects. In the experience of this researcher, the computer acts as a highly impersonal interface between the already abstract written transcript and the analysing researcher. On-screen text is situated in an electronic environment; the nature of this environment impregnates to a certain degree the data depicted and adds an additional layer of 'virtuality' to the analysis process. The (electronically displayed) account becomes a virtual statement made in cyberspace that can be treated as a text wholly divorced from any human experience; the level of abstraction increases and 'theorising' not only seems logical, but almost compulsory. The extent to which such added abstraction of an already highly abstract research process encourages the 'Othering' of the research subjects (Fine 1994) is worth debating; in any event, it exemplifies the main dilemma of the grounded theory method. As an antidote to the computer treatment of the empirical data, this researcher made an effort not only to transcribe all the data herself in order to add voices to the interview statements, but also to go back to the interview recordings at regular intervals. This helped to anchor the analysis in the life world of the research participants.

Retrospectively, grounded theory's balancing act between quantitative theorising and qualitative groundedness proved to be a very difficult undertaking for this researcher. On the search for 'grounded abstraction', the researcher 'doing' grounded theory constantly vacillates between two modes of research and mind frames that simply do not seem to be compatible. The researcher lived through the data analysis in the constant fear that the emerging concepts and relationships would neither do justice to the research participants' accounts nor possess the rigour required for future hypothesis-testing. Throughout the process, questions about the possibility of working in a theoretical mind frame with 'live' data and about the nature and place of 'theory' in social sciences were omnipresent, as some of the memos written during this period

attest. Thus, in joining with some of grounded theory's other critics quoted in chapter 5, this researcher's experience of the grounded theory method closely reflects Ian Dey's assessment of the method:

Despite its immediate appeal – in the inspiration of the initial 'manifesto', or the specificity of the subsequent 'marching orders' – it turns out that grounded theory, and any claim to make use of it, raises more questions than it answers. This may be of considerable merit, since it is the very ambition to generate theory that is grounded in (mainly qualitative) data that forces us to confront some difficult issues. The very attraction of grounded theory may lie in the way it obliges us – because of its commitment to theory – to face up to some fairly basic issues about the nature of social research (Dey 1999, p. 24).

15.5 Managerial implications

From the findings presented in chapters 6 to 13, a number of recommendations can be drawn for sales management practices. For one, if customer knowledge is predominantly experiential knowledge that cannot easily be shared with others and if the development of such knowledge promotes the establishment of intimate relationships, which in turn increase the likelihood of sales, companies have to try to limit the turnover of sales staff. Sales and product know-how are easily replaceable: if a new incumbent displays a level of expertise equivalent to that of the previous incumbent, the *sales* relationship between the two parties should not be affected. The level of personal understanding and intimacy two people co-create in their *personal* relationship however is theirs; interpersonal bonds cannot be re-created by another relationship participant. In addition, as discussed previously, the more solid a client-sales person relationship becomes, the higher the probability that clients will transfer their loyalties from the organisation to the individual sales person. Such clients can be lost entirely if they are confronted with a changeover of sales staff. Thus, the common practice that sales positions allow a company to test employees who are later entrusted with more 'prestigious' placements in the sales and marketing department could be costly for the firm. Sales positions should be assigned to individuals who are likely to

remain in the domain for a number of years. In addition, sales people who excel in relationship development need to be particularly encouraged to remain in the sales organisation. They should be rewarded for relational activities and involved in on-the-job training of new sales professionals. The recognition of such 'relationship experts' is particularly critical given that relationship selling necessitates a range of skills and abilities that seem to be substantially different from traditional selling skills. Formal assessment of relational expertise could be carried out using tools such as the Relational Cognition Complexity Instrument (Martin 1991) or through regular debriefing sessions.

Another argument in favour of controlling the amount of turnover in the sales department is the fact that frequently the sales team more than any customer database serves as a knowledge repository. It was demonstrated that the amount of informal information exchange even in sales departments with dispersed staff is considerable; sales people typically prefer verbal communication with peers or sales managers to writing reports or entering data into a database. Sales management should utilise this fact by increasing the opportunities of informal exchange among members of a sales team and by emphasising verbal reporting methods. Knowledge depots that limit the danger of corporate memory loss caused by individual defection can also be built up through an increased emphasis on contact between the client and so-called 'secondary caretakers' (Frankwick, Porter and Crosby 2001). Such secondary caretakers may come from the sales team itself, but may also be part of another department such as marketing.

Independent from the relationship status (primary or secondary), it is crucial that management attempt to match relationship expectations of clients and their relationship managers. As Hinde (1997, p. 455) points out: "If a relationship is to develop, the participants must define the situation similarly. This involves agreement about the

content of and priorities within the relationship". If for instance a client prefers business-only relationships or if his organisation prevents him from establishing more intimate relationships with suppliers, the sales person in charge should be at ease with this mode of functioning. If on the other hand a client is comfortable with developing a genuine relationship to a sales person, it is important that this individual displays the skills necessary to establish such a relationship. Again, assessing the skills and abilities of sales staff as well as recognising relationship needs of clients is a prerequisite for such a match.

From an organisational perspective, it is worth considering that the manner in which relationships are enacted at an interpersonal level may be interrelated with governance mechanisms at the firm level. As Håkansson and Snehota (1995) remark, markets and interorganisational networks do not exist as an impersonal mechanism 'out there'; rather, they take the shape of specific individual buyers and sellers relating to one another. If the 'rules of friendship' are enacted at the level of the individual relationship between members of two firms, it is likely that the overall relationship between the two organisations reflects these mechanisms. If, on the other hand, individual relationships are characterised by mistrust and opportunism, the aggregate of these relationships will most probably impose a structure of authoritative control on the two firms. Trust and mistrust, mutual understanding as well as opportunism, need to be impersonated; no organisation can trust or mistrust another without individuals embodying these mechanisms. If management want to understand how inter-organisational control mechanisms come into being or if they intend to alter the manner in which a particular interfirm relationship is conducted, an analysis of the micro-level relationships between their organisations and their clients seems advisable.

In this case as in many others, sales people as boundary spanners can assist in refreshing and augmenting an organisation's knowledge of its environment and its mental models of relational partners. It has become clear during this inquiry that sales people are indeed 'cultural anthropologists' as portrayed by Schultz, Evans and Good (1999). The amount and detail of personal as well as company information that a business-to-business sales professional learns from her day-to-day encounters with clients can hardly be matched by any other means of market research. The aforementioned debriefing sessions can be a tool to extract this knowledge from the individual and share it with other staff. IT tools such as Lotus Notes[®] or similar collaborative technologies can assist in this knowledge sharing process in a user-friendly manner.

From a training perspective, this analysis has indicated that experiential learning of relational skills may play a much more crucial role than formal training. Throughout the interviews conducted for this study, references to formal training were conspicuous by their almost complete absence. Given the large amount of resources sales organisations expend on such training, this is a rather remarkable finding that advocates the use of on-the-job training and tutoring for inexperienced sales staff rather than formal training sessions. It seems that relational expertise needs to be developed 'at the coal face'; no amount of formal training seems to be able to teach this truly practical skill. To return to the analogy used previously, a person needs to thumb herself with the hammer a few times in order to become adept at hammering – and a sales person needs to learn how to relate to clients through a process of trial and error rather than in the classroom.

Formal training could however help sales people to 'complicate themselves' in the sense of Weick's (1995, p. 196) famous dictum: "If people know what they think by seeing what they say, then the variety, nuance, subtlety, and precision of that saying will affect what they see, question, and pursue". If a sales person externalises her relational

knowledge in reflective exercises such as diary keeping, her relationship awareness, mindfulness and vocabulary may develop considerably. Such 'reflective practice' (Schön 1983) can help a practitioner understand, analyse and criticise her own acts and attributions in the client relationships she entertains, which can be critical for the positive development of her client relationships. As Hinde (1997, p. 457) points out, how a person perceives a relationship, himself, his ideal self, the ideal partner and the actual partner all influence his satisfaction in the relationship and the course the relationship will take.

'Reflective practice' in the sales department could also broaden the scope of sales professionals' relational activities by showing up gaps between their relational theories-in-use and their espoused theories (Argyris and Schön 1974). As discussed earlier, one of the espoused theories many sales professionals and managers hold is that a high level of intimacy can negatively impact on sales outcomes because relationship participants do not feel themselves in a position to negotiate as hard-headedly as they may want to. The large numbers of sales people who - sometimes notwithstanding their reservations against relationship cultivation - practise cultivating strategies nonetheless point to a discrepancy between espoused theory and theory-in-use. These large numbers also suggest that, as concluded in chapter 14, relationship selling ultimately does benefit business development. The study findings signal that even in some of the most cut-throat environments such as retailing, the 'human element' ultimately makes for a more agreeable, more positive and probably also more successful interaction. Even if direct sales outcomes are not achieved, fringe benefits can be realised from close buyer-seller relationships and job satisfaction can be increased.

The preservation of the 'human element' may be the most important message that this study holds for sales management. Even in times where selling practices move toward

electronic means of interaction, the old-fashioned sales call retains an all-inclusiveness and flexibility that is hardly equalled by any other mode of interaction. Despite warnings that personal selling may become extinct in the twenty-first century, this researcher firmly believes that companies should be aware of the skills and proficiency that their sales staff display in their everyday client encounters, that they should reward them accordingly and take them for what many of them are: key links between two otherwise faceless organisations.

15.6 Research implications

The theoretical framework of sales people's relational knowledge presented in this dissertation represents a micro-theory of human relationships as held by those who maintain these relationships. As it is a *grounded* framework of relational knowing, future research may build on this model by operationalising some of its proposed relationships and testing them empirically. Such research may also examine the effect of variables such as gender or length of sales experience, which have not emerged as influential in the small sample of this study, on a larger scale.

Besides providing ample opportunities for quantitative follow-up research, the real theoretical impact of the present framework may lie in the fact that it most fruitfully mined an area that quantitative research typically discounts as a valid source of scientific insight: the reflective knowledge of the research participants themselves. A post-hoc comparison between the present framework and research in social psychology illustrates the extent to which sales people's relational theories-in-use correspond to the most state-of-the-art compendia of relationship research such as Hinde's (1997) work. Through their everyday client interactions, sales people develop an expertise in relationship development and maintenance; the extent and detail of their relational understanding is remarkable and well worth tapping into from the perspective of sales

and relationship marketing research. In an area such as the relationship marketing/relationship selling domain, which has repeatedly been criticised for a predominance of conceptual and deductive research (Weitz and Jap 1995; Gummesson 1997), sales people's own reflections on their relational activities can illuminate the stringency of existing theoretical concepts and highlight the gaps that exist in extant frameworks. Even though Winograd and Flores (1986) point to the fact that a post-mortem reflection is always an interpretation that cannot make any truth claim, listening to professionals' reflective sensemaking can deepen our understanding of the sales domain and open up further discussion and inquiry. Until now, the aim of both the cognitive selling literature and the relationship selling literature was to decompose the sales encounter into discrete variables and analyse their effects systematically (for example trust, commitment, conflict, attribution, norms, and their impact on satisfaction, retention, relationship quality and performance). Future research should follow Dunne's (1999) call to abandon the pursuit of 'technical rationality' in the marketing domain in favour of the study of 'practical judgement' and investigate the complex interplay of all these variables (and more than likely many more) in sales people's actions. The present study has demonstrated how much academia can learn from listening to the live experiences of practitioners, even if the complexity of frameworks such as the one presented here may not be easily quantified.

This framework shows for instance that the cognitive selling school may have chased the wrong animal. If customer knowledge for the practitioner translates into 'knowing how to relate to a customer' rather than 'knowing that the customer is such-and-such', future research in cognitive selling should no longer follow an *epistemology of possession*, as it has done by adhering to the schema-theoretical perspective. Instead, it seems fruitful to posit an *epistemology of practice* with regard to sales people's

knowledge (Cook and Brown 1999). Rather than objectifying such knowledge, sales research should join similar inquiries in managerial cognition in the line of Schön's (1983) as well as Weick's (1969; 1995) works and investigate the *use* sales people make of their customer knowledge and the implicit theories that make them act as they do. Thus, future research should orient itself to sales people's relational and cognitive practices with two aims: first, to increase academic knowledge of the domain, and second, to focus the study of the substantive area on what is actually happening in this area. That the one call for *praxis* implies the other is evident: sales people's theories-in-use or reflections-in-action can only be studied if researchers abandon their attempts to measure yet another p-value in *their* framework of relational selling and study the complexities and processes of real-life systems. Even though some of the quantitative tools developed in social psychology such as Martin's (1991) Relational Cognition Complexity Instrument may increase our insight in relational cognition incrementally, real-life cognition needs to be studied in real life.

With regard to much of the normative literature in relationship selling, the most important lesson for future research emanating from this study may be that there is not one way of practising relationship selling. There are probably as many different effective relational strategies as there are successful sales individuals. Even such wide-ranging categorisations of relational approaches as the threefold distinction between 'business only', cultivated and genuine relationship modes can only serve as an indication of the breadth of relational practices. Again, we will only discover more of these strategies if we venture out to study sales people's 'cognition in the wild', to use the title of Hutchins' (1995) work, rather than solely concentrating on what is easily measurable and classifiable.

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Appendix A: Initial Research Proposal

Customer knowledge in the sales department

Customer information is power

In the 1990s, information is power. Competitive advantage and future profit is increasingly based on intangible, information-based assets: brands, customer relationships and a profound knowledge of the customer's needs and requirements. Obtaining reliable customer information is a prerequisite for a company to develop and deliver superior customer value and to build long-term relationships. Those who are in closest customer contact are one of the key sources for this information – a company's sales force.

However, in many firm's experiences, obtaining detailed customer information from the sales department can be problematic. This crucial information is often viewed as proprietary to the individuals rather than the firm and is often lost to the organisation when that individual moves on. Currently, little is known about how individual members of a sales team communicate, share and use customer information.

This doctoral research project aims to address this gap. It is intended to investigate sales people's knowledge processes, to evaluate sales information systems in place and to recommend processes and procedures for a more efficient use of the customer knowledge of sales people. It is believed that the results of this research can help companies optimise their information and communication processes and create truly customer-oriented marketing and sales services.

The research approach

Five non-competitive indigenous Irish firms will be asked to participate in the study. Data will be gathered through semi-structured and unstructured interviews, participation at sales meetings and customer visits, mapping of the information technology environment and examination of sales training programs.

The research design will accommodate firm-specific requirements in order to maximise benefits for the participating firms and minimise disruption. The companies will obtain a report on the research findings. In addition, the researcher proposes to give a seminar in the sales department and presentations to senior management in the companies.

Time frame

The research project commences in January 98. During the first year, the theoretical framework will be developed through an extensive literature review of the academic and professional sales literature as well as literature on knowledge management, social and cognitive psychology and information technology.

The second year will be dedicated to the collection and analysis of empirical data. It is anticipated that the field work will be completed by summer 00, and first results from the data analysis are expected at the end of the same year. The PhD dissertation should be completed by the end of 2001.

Appendix B: Initial interview guide

18/01/99

1. Interviewee brief:

I am doing my PhD in marketing at the DCU Business School and I am looking at personal selling and account management. What I would like to talk about is **what you know about your customers**. The information that you pick up about them, **the details about them that you use when dealing with them, how you develop your insights over time** and all this. I will ask you quite a few questions about your customers.

However, please don't fear that I am spying you out for details on your clients. I am much more interested in the general processes than in the content side. So please **feel free to disguise** companies or persons or to talk about 'customer A' instead of using company names. In any case, everything you tell me during the next hour is *strictly confidential*. I won't communicate this information to anybody outside, your name won't appear anywhere, and all company names will be disguised in my thesis. Also, if you don't feel comfortable to answer any particular question, just tell me. There is nothing that I expect to hear, no 'best answer' or right or wrong, I am really just interested in what you think about the issues that we will talk about, and if some of them are not relevant to you or to your area, please tell me that as well. Would you mind if I switched on the tape recorder now?

Do you have any questions before we start?

2. Biographical data

Age group, years of sales experience, years with the company, position in the company

3. Interview prompts

a) **Knowledge of the customer:**

- Could you pick out one of your customers for me and describe him or her as much as you can? Anything that comes into your mind, what could you tell me about this person?
- Has your view on that client changed over time? Can you remember what you thought of him when you first met him?
- Could you now think of a second customer and compare him or her with the first you were thinking of? How would they be different, how would they be similar? (*REPEAT*)
- Would you think of the same kind of details if you thought of other customers?
- In your experience, have you found that there are 'categories' of customers that you encounter all the time? Could you describe those to me please? In what industries or types of companies would you find them?
- If you think of an account, what do you think of? The account as a company or the account as individuals?
- Do you have the feeling that you know some customers better than others? Why could that be?
- Would you normally prompt yourself to 'collect' any kind of information during a customer visit?
- Would you prompt yourself to gather information when calling into a new account?
- How do you really get to know what a client's business is about?
- At what occasions would you consciously remind yourself of what you know about a customer?

b) Use of this knowledge in the selling practice:

- Imagine you had a meeting with Joe Bloggs today at 2pm, how would you prepare for that meeting?
- If you think of the last time you walked into a new account; what did you notice, what cues did you pick up, what were you aware of, what struck you?
- During that first meeting, what did you talk about with the person in front of you?
- And what did you think of him when you came out?
- Do you think your selling approach differs from customer to customer? (*ask for examples*)
- Do you have the feeling that your selling 'gets better' the longer you know the customer? For longstanding clients, do you have the feeling that you do 'a better job'?
- And do you have the feeling that your approach to the customer has improved over the years?
- Do you have the feeling that your selling could improve if you had more information about the customer? What kind of information would that be? Where could you get it from?
- *Prompt for the dynamics of the relationship*
- *Prompt for knowledge over time; on a different level or just more detailed?*

c) Sales people's knowledge communication and sharing:

- Would you talk to other sales reps about your customers? At what occasions?
- Do you think your sales manager knows your customers?
- And would you share customer information with other departments? Do you think your knowledge could be of value to them?
- What would you know about other sales people's clients? (*ask for examples*)
- What expressions would you use internally when talking about customers? Are there any particular words you'd use for certain types of customers? (*probe into meanings*)
- Would you like more opportunities to meet other sales people and talk to them? What occasions could be useful?
- How are hand-overs of accounts handled?
- Last time you took an account over from somebody - what information did you get on this account? What would you have needed to know that you weren't told?
- If you decided to leave the company and handed over your accounts to another sales rep, how would you spend one week with your successor?
- In your opinion, what kind of training do inexperienced sales people need in order to learn how to deal with clients?
- What kind of training did you get in relationship skills?
- If you were responsible for training, would that be something you would emphasise?

d) Role of IT in knowledge sharing processes:

- Do you record information on your clients somewhere? Where?
- What kinds of expressions do you use in these records? (*probe into meanings*)
- When and how would you update these files?
- If you took such a customer file, would it be intelligible to others?
- If you could design your 'ideal' customer database, what fields would you include?
- And would you need different fields over the course of a customer relationship?

e) Is there anything else you would consider important in this context? Or is there anything else you would like to talk about?

THANK YOU VERY MUCH FOR YOUR TIME AND YOUR EFFORT!

Appendix C: Revised Interview guide

Presentation of project and interviewer, informant consent to tape recording, indicate duration of interview and format (open ended questions, no 'good' or 'bad' answers, just interested in your opinion on these issues).

- Could you think of one of your clients and describe him or her in as much detail as possible?
- What's the difference between me having all these facts now about your client and you knowing her?
- What's the difference between knowing this client and having a relationship with her?
- Are there clients you know but don't have a relationship with?
- If you compare these to clients you DO have a relationship with, what's the difference?
- Difference between relationship with a client and with the partner?
- Do you sometimes have to pretend to be 'buddy buddy' with the client?
- How do you know you've got a relationship with the client?
- How would you go about creating a relationship with your client? Could you talk me through it?
- Do you think there are certain general strategies that sales people use to build up relationships?
- Would you have learned these in sales training or through your job experience?
- Talking about sales training, have you received any formal sales training? What would be taught in these courses?
- If you had to design a training course for sales people, what would it contain?
- If you think about your relationships, do they have any effect on the way you would sell to these clients?
- In terms of negotiations, would it be easier or more difficult for you to negotiate with a client you have a relationship with? *Explain:* For example in terms of playing hardball - if I have a good relationship with a client, will it be easier for me because I know the client or will I lose out on the negotiation because I won't be able to play hardball with a client I have a relationship with?
- How does your knowledge of the customer influence the negotiations that you have?
- And how exactly would you go about establishing trust in this client? How would you 'prove' your trustworthiness? One sales rep told me he would fill out the order form for the client, because this client trusts him, would that be a common thing? What would you have to do to gain such trust from the client?
- Do you see a link between power and knowledge? Do you find it important to know about power structures in your client company? What are the consequences of such a knowledge?
- In your client relationships, would it happen that you do favours for the other? And would there be a sense of reciprocity? Like I do you a favour you do me one?
- Have you ever experienced anxiety before a call? Is this related to going in, selling, closing? And would that be different with different clients?
- Can you tell me about a situation where things did not work out with the client?

- Are you yourself in a sales situation? For example, could you tell your client that you are hungover?
- To what extent do other people influence your relationship with the customer? Like other people from your sales team, the sales manager, other people from the customer's company?
- Let me ask you a rather difficult question: Do you *own* the relationship with the client?
- Do you own what you know about the client? (*if yes*) Are you happy about being possessive about this knowledge?
- Are there such things as 'corporate relationships'? And what's the relation between corporate and personal relationships?
- If you worked in more than one company: What did you take with you, what did you leave behind when you changed jobs?
- Do you think you are substitutable in your job? What would change if somebody else were doing your job?
- Could the client be substituted? And again, what would change? Would you miss your client? Do you think you would continue having a relationship with her?
- Do you think your competitors have the same relationship with this client?
- In terms of the technology you are using (if any), do you think it's good or bad for the job? Does it influence your relationship with the client? In what way?
- What does it MEAN to you to know your client?
- Could you think of other areas where your client knowledge might be useful?
- Actually, what is selling for you, how would you define your job?
- ***Check: Am I using the same key words as respondents?***

Debriefing and thank you!

Appendix D: Executive Report and member check questionnaire

Dear <Firstname>,

Many months ago, you were kind enough to spare some of your time to take part in an interview process for my PhD project: Client managers' knowledge of their customers. Even though our encounter now lies some time back, I would like to take this opportunity to thank you once more for your generous assistance in taking part in this investigation.

I promised you at the time of the interview that I would make an executive summary of my study results available to you; please find this document enclosed.

I sincerely hope that my findings reflect your own opinions on the relationship between account manager and client and that they are informative to you at the same time. I would be very grateful if you could take the time to read this document and let me know what you think of it. Your feedback will give me an opportunity to verify if I have understood your own experience of the sales interaction and that of the other respondents; if there are issues that in your opinion I haven't touch upon, I will be happy to incorporate them in my framework. I enclose a feedback sheet together with a freepost envelope for your convenience. You can also email me at susigeiger@yahoo.com or telephone me in UCD on 716.8959.

Please let me know if you have any queries on this report or if I can assist you in any other way.

I apologise sincerely for the delay in sending you out this summary; maternal duties kept me from pursuing my studies for quite some time.

Thank you very much again for your kind assistance in this process.

Best regards,

Susi Geiger

**UNIVERSITY COLLEGE DUBLIN
SMURFIT GRADUATE SCHOOL OF BUSINESS
EXECUTIVE REPORT**

**Client Managers as Knowledge Workers -
An Empirical Investigation of Knowledge Management Practices in Irish Business-to-
Business Sales Departments**

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1. The new trend that is knowledge management

In today's ever-changing business environment, only highly flexible organisations survive. In the context of these changes, the knowledge embedded in organisations has come into focus as a major source of competitive advantage. Thus, the advent of **'knowledge management'** in business education and literature indicates the **pervasive role of intelligence and information** in today's society and more specifically the irreversible transformation of business practices in the information age.

Surprisingly, marketing and sales have been rather slow to adopt recent findings in relation to issues of information and knowledge. Although it is almost common sense that **"If knowledge is power, customer knowledge is high-octane power"** (Davenport 1998), it seems that both areas still rely on traditional approaches to information and intelligence. The much praised "One-to-One Future" (Peppers and Rogers 1997) in marketing and sales comes along too often as more of the same: more and bigger customer databases, more extensive marketing research and more intensive use of IT systems. However, many companies following these lines had to learn the lesson that investments in information technology do not automatically generate increased profitability. As an example, there is evidence that over 70% of all sales force automation projects either fail or fall short of initial expectations (Parthasarathy and Sohi 1997). Thus, it is time to systematically review the role of customer information in marketing and sales.

2. Case studies of knowledge management practices in Irish sales and account management organisations

To assess best practices in Irish sales and account management departments, a multi-level, multi-sector investigation was carried out in the period between 1999 and 2000. All companies solicited were approached either through individual staff members known to the researcher or through formal contact with senior management and were assured of anonymity and confidentiality. A comparative case study of six companies operating in the areas of **advertising, corporate finance, confectionery, brewing and pharmaceutical wholesale** provided the basis for the evaluation of sales team interaction and management. In a second field round, the inquiry was opened up to individual sales professionals from a range of different industries to get an even broader picture of the interaction between

customer and client manager. Sales representatives, sales managers, account managers and IT professionals from the following areas were interviewed in the second field phase: **media, telecommunications, catering, real estate, building material, machinery, laboratory instruments, hardware.** The following discussion of results will show that despite the wide range of companies investigated, the personal interaction between the client manager and her customer is of a surprisingly similar nature.

3. Results

i. What client managers know about their customers

The investigation showed that client managers hold a sizeable stock of knowledge about their customers. In a business-to-business context, client managers need to know who they are selling to in order to adapt their message and tailor the offer, but also in order to relate to the person in front of them. In effect, one of the most challenging aspects of a client manager's job is the fact that she meets a vast amount of very different people every day and by the nature of her task has to try to develop a certain degree of rapport to all of them. Thus, customer knowledge is not only precious from a sales perelationshippective; it is also part of the relationship building task of a client manager. In general, knowledge of customer particulars seems to pertain to any one of the following areas:

The client's personality and personal details: Client managers know what their clients are like and they know facts about their private lives because this is the information that allows them to build a relationship with the client. Knowledge of a client's situation also allows the client manager to adapt the nature and timing of the offer to the clients' circumstances and approach him at a moment and with an offer that is tailor-made to his business *and* individual needs. At the same time, engaging the client in a conversation about a topic he is interested in can neutralise the aggressive tone underlying many sales encounters and can serve as an aid to move the conversation away from potentially dangerous waters. From a relationship building perelationshippective, detail knowledge can help to accelerate the development of friendly relations. A friendship is characterised by the fact that the friendly parties know certain details about each other; such closeness can be achieved in a business relationship if the sales person is skilled in retaining and using information the customer imparts to her.

The client's ability and knowledge: Beside knowledge of personal details, most sales professionals are also aware of a client's on-the-job abilities. Clients are often scrutinised for what they may *not* know rather than for what they *do* know, as it is in their knowledge gaps that the client manager can take on the role of the leader in the client relationship and add value to her services. Less knowledgeable clients can also be steered by the (more knowledgeable) sales representative into a direction the latter deems beneficial for her own interests. If a client manager can add value to the customer by filling gaps in his market or business knowledge, the power balance in the relationship is changed in favour of the sales representative: client managers are awarded what is called 'expert power' in social psychology, which can offset the factual power imbalances that govern many client relationships.

The client's position and company politics: Another important part of a sales professional's customer knowledge is an understanding of internal systems and power centres in the client firm. Knowledge of the pecking order in the client company is often imparted formally or informally through the sales person's contact himself. The better the relationship with the client, the easier it is for a sales rep to learn about the hidden powers in a company and the constraints the internal environment puts on the client. Knowing the structures of the company enables the client manager to push her product or service through the system. Knowledge of company politics is crucial even on a micro level. If a client manager interacts for example with two buyers with different responsibilities in one company, it is vital to gauge the relationship between these two individuals and to be seen

to treat them equally.

The client's working style: The most essential information for a client manager dealing with a particular client is to know how this individual likes to work and what he expects from client managers on an operational level. A client's way of operating may influence the level of product quality he expects, the timeliness of the delivery, the channel of communication he prefers, the amount of sales pressure he accepts, but also his way of thinking and what he is interested in. A perceptive sales representative can gauge the best angle of attack for a sales presentation and deliver arguments that are tailored to the customer's needs. By experiencing the client in a number of interactions over a period of time, the client manager not only can anticipate more accurately what type of information the client expects from a sales presentation; she will also know how to best co-operate with him in the long run. Details such as the best time to call him, how often he wants to be contacted, the best moment to approach him for a sale or the amount of social interaction he desires can be decisive for the short-term as well as long-term success of the sales relationship. The more a client manager recognises such operational expectations of a customer, the better she can adapt her interaction style to the client's way of working. This will help in the long term to build up a successful working relationship with a client who knows that his needs and requirements are recognised and heeded. Not only is this likely to increase customer satisfaction, but it also introduces entry barriers for competitors.

Where is the win for a client: The ultimate piece of knowledge a client manager needs is one that is an aggregate of the other types of customer knowledge: it is to know where the 'win' for a particular customer lies and to know how to achieve this win in a manner that satisfies the objectives of the sales person's own company as well as the client's personal and professional goals.

ii. Relationship development through client knowledge

One of the most important functions of client knowledge in the business-to-business area is its role in relationship development. Developing relationships depends to a huge part on the mutual knowledge that relationship participants have of each other. The more individuals know about each other, the more they can build their relationships on a personal basis instead of simply interacting according to the set roles of 'client' and 'sales rep'. However, many sales professionals fear that getting too close to the customer may impinge on their ability to negotiate with this client as well as on their autonomy. Client managers who are skilled in relationship development can control the rate and the extent to which personal elements enter the relationship. Three types of client relationships seem to be pursued by client managers: the 'business-only', the 'cultivated' and the 'genuine' relationship.

The 'business-only' relationship is characterised by the attempt of one or both of the individuals to keep the sales interaction at a strictly professional level. Most often, this relationship type is pursued for fear that one or both sides may be compromised by friendly relations. In some client managers' opinion, it is more important to preserve an ability to stand up to a client than to take advantage of the various functions that close buyer-seller relationships can have. These sales professionals believe that too much emphasis on a friendly level of interaction could be perceived as unprofessional and damage a seller's credibility. Some even fear that if they feel 'home and dry' with a client, they may get more careless in their service delivery and they may be tempted to take advantage of the trusting client in their sales approaches. Thus, client managers pursuing 'business only' relationship shun the human element in the sales interaction in favour of maintaining professional distance, negotiation strength and impartiality.

The 'cultivated' relationship is one in which both the personal *and* business dimensions are nurtured by the participants. Aware of the gains that a co-operative buyer-seller relationship can bring to the parties, many respondents try to develop a friendly relationship with their buyers while at the same time ensuring that they can 'stand up for themselves' if the interaction becomes confrontational. Keeping such a twin track by maintaining an

independent business stance while at the same time befriending the client is a very thin line to negotiate. If however the players succeed in keeping a balance between the interpersonal and the economic focus, it can represent the ideal scenario for a sales relationship that is highly profitable and at the same time delivers more benefits than a highly adversarial 'business only' relationship. It enables the parties to open up channels of communication that are closed in a 'business only' relationship. Mutual knowledge of the other person through social interaction allows for the establishment of trust and commitment, which in turn serves as a buffer against competition. The personal dimension of the relationship also represents a neutral plane to which the players can retreat if the business dimension is temporarily unstable. Thus, the cultivated relationship takes advantage of the benefits of a personal relationship while at the same time affording enough space for the participants to fight their own (commercial) corners.

A 'genuine' relationship is developed if the relationship shifts from a mainly adversarial relationship to a predominantly friendly one. With this shift, trust and commitment begin to govern the interaction to a point where both parties can implicitly trust what the other party says and where both 'look out for each other' as much as their respective business interests allow it. This is the situation where a client relationship truly acts as a buffer against competitors: if both parties know that they are getting a fair deal from the other, there is no need to seek out other business partners. Thus, while for client managers pursuing 'business only' relationships the personal element signals that they cannot push the other side hard enough to get the best deal, for sales reps maintaining 'genuine' relationships it means that there is no need to push - they are confident to obtain a fair deal in any case.

Getting the balance right: It may not be easy for a sales professional to negotiate the right balance between the social and the business aspects in any given client relationship. This is a skill that client managers mainly learn through trial and error. Sales staff has to be conscious of the fact that as soon as the interaction transcends the business realm, client expectations may increase dramatically. At the same time, friendly client relations have a number of benefits for the seller: they are often more enjoyable than 'business-only' relationships, they allow for more open communication and honesty, they act as expedients for potential business dealings and they can protect against competition. It is important to notice that these relationship benefits can only be achieved if they are predicated on mutuality. Both the buyer and the seller have to be able to derive personal or monetary benefits from the interaction; 'give and take' is essential for adding value to the business interaction.

iii. Cultivating client relationships

If a client manager intends to build up a personal relationship with a client, she has to give the client a chance to get to know her on a personal basis as well. Often, social occasions are used to get to know each other and to move the relationship from a formal to a personal one. It is commonly known that socialising with the client is an integral part of most sales professionals' existence. How beneficial it really is, however, largely depends on the relationship mode a sales professional operates in.

In the business-only mode, socialising with clients can be beneficial in that the seller has the client's **undivided attention** for hours. Many client managers who engage in social events use it with a view to developing the business at these occasions. Even if the social outing does not result in a direct sale, it can represent a **forum to discuss business ideas** that are realised once both parties are back in the office. At a minimum, a social event can predispose the buyer to be more receptive to future sales overtures. The effort and resources spent on the social event also help to **build a positive brand image**. Crucially, social events assist in detecting problems before they become critical. It appears that certain clients are more **comfortable airing their grievances** in a social environment rather than in the office where complaints may immediately take on an 'official' aura. In this regard, socialising allows the client manager to keep her service quality up to the standard necessary to sustain a satisfactory working relationship with the client. However, if both

parties do not have any personal attachment to each other or if normal encounters are highly confrontational, the social occasion can be perceived as a strain for both parties involved. Keeping personal elements out of the game and not letting the relationship 'slip' into a different mode can be quite difficult, especially if the sales person and her client are forced to spend extended periods of time together.

In the cultivated relationship mode, the social event is an indispensable tool for building relationships. With regard to new accounts in particular the social occasion is often used as an **icebreaker** to mark the beginning of a more personal relationship. The social outing allows the client manager to **portray herself as an individual** rather than yet another sales person calling into a buyer's office; it can also move the relationship from a potentially hostile situation to a co-operative one. However, sales professionals who try to maintain a twin track between friendliness and professionalism, the social event has to be a tightly controlled affair. Again, it is easy to let the relationship 'slip' and get too friendly with buyers in these situations.

For client managers who maintain 'genuine' relationship with their clients, socialising is part and parcel of the relationship. In this mode, many client managers make a point of proving the client their **personal commitment** by meeting him at weekends, in casual clothing, in the company of partners or other family members, or by taking him out on a private budget in addition to inviting him to company-sponsored events. Socialising in the genuine relationship mode means that the 'bottom line' must not be of direct concern. Contrary to the above cases where the strategic agenda prevails at all times, the social event in this situation is exclusively geared toward **strengthening the interpersonal relationship** between buyer and seller.

In all three scenarios, the client manager has to keep in mind that using such cultivation strategies is **dependent on the client's penchants and organisational policies**. Many firms are currently introducing policies that prevent purchasing agents from accepting any favours from suppliers; other buyers choose to remain 'unbiased' by individual suppliers independent of organisational policies. Through her customer knowledge a sales person will be able to determine how much socialising is useful at what stages in the relationship building process.

iv. How to train the relational seller

The change of emphasis from transactional to relational selling implies that a new set of skills becomes crucial for selling success. It appears that three qualities in particular seem to distinguish the relational from the transactional seller: relational sellers seem to possess the **charm** necessary to sell themselves alongside the product or service; they seem to actively **listen to their clients**, which allows them to develop a profound knowledge of the other, and they seem to have a **compassionate personality** that allows them to translate this client knowledge into empathy. Through their empathy, they create an atmosphere where the client feels 'at home' with a client manager, where both parties know each other and where both are comfortable enough to shed all strategic agendas in favour of an interaction based on mutual trust and understanding.

Sales management has to decide for which accounts a high level of interpersonal interaction is desirable and deploy sales staff with strong relational skills accordingly. Most often, client managers who are successful in a business-to-business environment with emphasis on long-term client relationships are not necessarily people who have the technical knowledge, but they are persons who are gregarious, affable and 'good at dealing with people'. These skills are frequently acquired in service professions such as waitering, bar tending, retail sales or professional services. Such prior experience seems to be even more crucial for sales staff because relational ability does not seem to be acquired through formal training. One can teach a sales person to negotiate, to deal with rejection or to go through the motions of a sales process. However, 'people skills' such as empathy, gregariousness and adaptability require a certain disposition. If these skills are present in a

person, they can be developed through on-the-job training, mentoring and debriefing sessions. If relational skills development is incorporated in formal training sessions, training formats that approximate real-life scenarios such as role-play are the most effective tools.

v. The role of the sales team

Judging from the field work carried out for this study, the client manager is frequently the sole interface of the supplier organisation with the buying firm even when several individuals are involved in the selling task. Of all the organisations participating in this research, only one company provides additional interfaces to their clients. Such '**secondary caretakers**' however can be highly valuable in many ways. Firstly, if the client requires a level of interaction that does not match the account manager's skills, a secondary caretaker can step in and provide the requisite interaction levels. Secondly, if the client relationship goes through times of difficulty, a secondary caretaker can help to keep communication channels open. Thirdly, as client knowledge is often gleaned face-to-face, a secondary caretaker is a guarantee that not all of this knowledge disappears if the account manager primarily responsible for a client decides to leave the firm. Secondary caretakers can be sales managers, other sales staff, marketing staff such as product managers or even customer services staff.

Even if the client manager is the main relationship 'owner', the sales team performs a number of vital auxiliary functions for the sales professional confronting the client. On a psychological level as much as on an operational level, the sales team often acts as a **background aid** in a sales person's client dealings. Their opinions are called for when a business deal is negotiated or when interpersonal problems arise with a client. In particular, members of the sales team who have dealings with a client in other product or service areas are often solicited for advice if a client manager runs into difficulties with any particular client. To obtain such reinforcement from others, a team of client managers often creates semi-formal or informal forums where they can discuss their client dealings in the casual atmosphere of communal lunches or after-hour meetings. For client managers who are physically separated from other staff personnel such forums also provide the only opportunity to develop a **feeling of belonging to their organisation** and a 'common language'. In addition, informal sales meetings represent an invaluable opportunity to share one's customer knowledge with others: occasions where talk about customers is considered to be 'off the record' facilitates the **exchange of personal customer knowledge**. At these occasions more than at any other moment, sales representatives learn about the clients of other reps and their idiosyncrasies; they get to know the problems attached to some accounts and the best ways to resolve them. Thus, the sales team becomes a **customer knowledge repository** that can play an important role for example in helping new sales staff to prepare for existing accounts. Oral and semi-formal information exchange also plays a central role as a **sales reporting tool**. As sales professionals' customer knowledge is so extensive, meetings with the sales manager and debriefings are generally seen to be more effective for sharing such information than written reports.

vi. The role of customer databases

As mentioned earlier, front-line automation is rapidly catching up with other organisational areas such as accounting, finance or production. However, even for larger firms, reports that indicate **failure rates of sales force automation (SFA) projects of up to 60%** suffice to dampen the enthusiasm of all but the most fervent supporters of information technology. In a large-scale study on the usage and effectiveness of SFA in Germany, England and the United States, Engle and Barnes (2000) found that **non-discounted payback periods for SFA tools reach six or seven years** – by which time additional hardware and software will be needed. Thus, even though SFA is increasingly depicted as a competitive imperative, its ultimate benefits for the individual firm are hard to foresee. Of the firms studied for this research, only one company planned to purchase a large dedicated front-end system for

their sales staff and telesales operators. Other companies were considering the acquisition of smaller contact management solutions such as ACT[®] or Goldmine[®]. Most companies used either general-purpose packages such as Microsoft Outlook[®] or small customary applications designed for specific in-house use. Email is generally regarded as bringing the client manager closer to the sales support staff inside the firm. **Shared electronic diaries** such as the facilities offered by Microsoft Office[®] add a sense of 'virtual presence' to the sales person who is absent from the office for most of her time. Often, email facilities and electronic report systems are also used **to feed market information back to the firm**; the back office can for example be alerted of competitor activities in the field in real time. Even though emailing facilities are considered vital for the daily information exchange with the back office, if used for communicating with clients, the impersonal character of the email has to be carefully weighed up against the convenience it offers.

From a knowledge management perspective, information technology most often plays a role in the form of databases and contact files to record clients' details such as names, addresses, hobbies or their place in the organisation. The ultimate motivation behind such systems is the **desire to transform knowledge held by the individual client manager into company information**. At the same time, customer databases can assist the individual seller in her sales interactions; as an example, if the customer database contains a call history, it helps the client manager create a sense of continuity in her customer interactions. Interestingly, client managers seem to distinguish two types of 'knowledge' of the customer: on the one hand knowledge that can be externalised, shared and stored in databases, such as names, addresses, hobbies and the factual call history, and on the other hand 'proprietary' knowledge, that is knowledge that is too personal or too embedded in the relationship to be put on IT. The classic example of the use of factual customer information is **an invitation to a corporate event**, where clients who are flagged as 'interested in opera' are sent personalised letters with their own and the spouse's name drawn from the database. Other than for corporate invitations, customer databases can also be used to ensure that no customer is 'forgotten'; that they are all **contacted within a certain period**, that they receive a Christmas card or that they **are kept informed about new product developments or promotions**. Customer databases filled with (**regularly updated!**) customer information can be essential for ensuring a certain amount of continuity on an account in the case of team selling efforts or for holiday replacements. They can even be crucial if they are not designed to be shared with others, but only used by the sales person herself if she has too many clients to recall personal details about all of them.

However, the 'measure of the person', as one respondent called the knowledge that emanates from the personal interaction between sales person and client, appears difficult to formalise and record. This is **highly subjective knowledge** that is generated in the context of the client relationship and is therefore only relevant in this particular context. Even if the more factual customer information can be shared through the use of IT, many respondents feel that the (more tacit and subjective) knowledge of the customer **loses most of its significance if forced to fit standardised customer databases**. Especially if the relationship is a 'genuine' one, even the most sophisticated database can only capture a small fraction of a sales person's customer knowledge. Because people and the relationships they entertain are so different and so complex, any information system that is designed for the use by more than one individual is **necessarily built upon the smallest common denominator**. Many client managers resent the obligation to reduce the variety and nuance of their knowledge if forced to fill out predefined customer forms. Often, databases are even considered detrimental to close client relationships; there is a sense among many sales professionals interviewed that if the sales person is **genuinely interested in the customer**, she should simply not need a database to record what she knows. For all other users besides the relationship owner, such records are **second-hand data and as such often unusable** outside the actual relationship context itself. Many sales professionals also feel that they do not have any **final control** over who has access to the information and what they do with it, and they know that certain information was entrusted to them under the implicit condition that it is not to be shared with others.

The **lessons to be drawn for the design and implementation of customer databases** or sales automation tools are the following: databases, however well designed, will only ever manage to extract a certain amount of customer information from the sales representatives; firstly because they are unsuitable for the complexity of a sales person's knowledge structures, and secondly because even if client managers could externalise all they know, they would be reluctant to share this knowledge. Sales information systems need to have a **high degree of in-built flexibility** to increase acceptance among client managers. In order to achieve the closest match between client managers' customer knowledge and the type of information the systems prompts the user for, **early involvement of the field staff** is necessary when designing and implementing such a system. The future benefit from the system for the individual sales rep has to be highlighted from the moment of conception of the system, and an initial payback has to be achieved as soon as possible after implementation. This requires not only extensive user training and support, but also a **system that is designed with the user benefit in mind**. In addition to an emphasis on the benefits for the individual user, an incentive system can be devised to ensure that existing data are updated and new data keyed in on a regular basis. Information gathering and dissemination could be included in the job specifications for sales staff, **monetary incentives could be given for the maintenance of customer records** and dedicated back office staff could be employed to check the usage levels of field staff. However, such incentive structures will only yield the desired results if the organisation also fosters an information sharing culture. One of the biggest dilemmas in implementing a customer database is that if the database is designed 'for public consumption' in order to foster an atmosphere of trust and sharing of knowledge, sales reps are likely to hold back parts of their knowledge. If, on the other hand, the database is designed in such a manner that only the 'owner' of the information can access certain customer records, information sharing in sales teams will be less than optimal. A **compromise solution that incorporates 'public' areas as well as 'private' areas to the sole availability of the 'owner' of the customer relationship** may be an answer to this problem. It is important that even when a customer database is operational, opportunities to interact formally and informally with other members of the sales team must still be provided in order to keep information exchange alive.

4. Recommendations for management

Try to limit the turnover of staff: The level of personal understanding and intimacy two people create in their personal relationship is theirs; interpersonal bonds cannot be recreated by another relationship manager. In addition, the more solid a client relationship becomes, the higher is the probability that clients transfer their loyalties from the organisation to the individual sales rep. Such clients can be lost entirely if they are confronted with a changeover of sales staff. Thus, the common view that the sales profession represents a springboard for individuals with 'higher' aspirations or that it allows a company to test employees who are later entrusted with other positions in the sales and marketing department could be costly for the firm. Sales positions should be assigned to individuals with a high level of intrinsic motivation who are likely to remain in the domain for some years.

Reward relationship experts: Client managers who excel in relationship development need to be particularly encouraged to remain in the sales organisation. They should be rewarded for relational activities and they should be involved in on-the-job training of new sales professionals. The recognition of relationship experts is especially important given that relationship selling necessitates a range of skills and abilities that seem to be substantially different from traditional selling skills.

Give them opportunities to talk to each other: Client managers typically prefer verbal communication with peers or sales managers to writing reports or entering data into a database. Sales management can utilise this fact by increasing the opportunities of informal exchange among members of a sales team and the by putting more emphasis on verbal reporting methods. The establishment of secondary caretakers for customers can also help to retain important client details in the company.

Match relationship expectations of clients and their relationship managers: If for instance a client prefers business-only relationships or if his organisation prevents him from establishing more intimate relationships with suppliers, the sales person in charge should be at ease with this mode of functioning. If on the other hand a client is comfortable with developing a genuine relationship to a sales person, it is important that this individual displays the skills necessary to establish such a relationship. Assessing the skills and abilities of sales staff as well as recognising relationship needs of clients is a prerequisite for such a match.

Use on-the-job training: From a training perspective, this study has shown that experiential learning of relational skills play a more important role than formal training. This advocates the use of on-the-job training and tutoring for inexperienced sales staff. In addition, the use of reflective exercises such as diary keeping can help a sales practitioner understand, analyse and criticise her own acts and attributions in the relationships she entertains, which can be critical for the positive development of her client relationships (Schön 1983).

Retain human beings as customer interfaces: The study findings signal that even in some of the most cut-throat environments such as retailing, the 'human element' of the personal sales interaction ultimately makes for a more agreeable, positive and probably also more successful interaction. The preservation of this human element may be the most important message that this study holds for sales management. Even in times where selling practices move toward electronic means of interaction such as the internet, the old-fashioned sales call retains an all-inclusiveness and flexibility that is hardly equalled by any other mode of interaction.

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