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# DIFFERENCES IN SELLING IN B2B AND B2C MARKETS

- Sales Psychology and Customer Experience



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# DIFFERENCES IN SELLING IN B2B AND B2C MARKETS - SALES PSYCHOLOGY AND CUSTOMER EXPERIENCE

This thesis handles the differences between selling in the business market and the consumer market in general and from the aspect of sales psychology. Selling has changed radically in the recent years and salespeople must develop their actions all the time to meet the needs of the customers. The goal was to find out whether the sales representatives acknowledge their use of sales psychology and if there are significant differences between the actions of the salespeople and the sales psychology used in these different markets. This thesis was an assignment to Helsinki Sales Academy.

First, in the theory part, the differences between the business markets and the consumer markets are explained. As the markets are different, so are the buyers and different types of buying behavior are depicted next and also the factors that affect buyer decision-making process. Buyers are affected in various ways and it is important for the seller to understand what goes on in the customer's mind.

The sales representative usually is the link between the company and the customers and it is important for the company to constantly train and educate their sales force. People working on sales have to master different skills and the use of sales psychology is fairly new to the sales representatives especially in Finland. Sales psychology is also closely linked with the customer experience and this is explained in the theory part.

As a part of this thesis, a survey was conducted which consisted of personal interviews with sales representatives in the business market and of an e-mail survey which was sent to sellers working in the consumer market. The results indicated that both groups are using sales psychology in their own way but in general they do not acknowledge psychological factors in their use. Psychology however is present almost all the time in the actions of the seller because the buyer is affected by everything that the sales representative does. Results showed also that the sales representatives working on these two markets emphasize different things to the buyers depending on the market they are in.

#### **KEYWORDS:**

B2B, B2C, buying behavior, sales psychology, customer experience

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#### EROAVAISUUDET YRITYSMYYNNISSÄ JA KULUTTAJAMYYNNISSÄ - MYYNTIPSYKOLOGIA JA ASIAKASKOKEMUS

Tämä opinnäytetyö käsittelee yritysmarkkinoiden ja kuluttajamarkkinoiden eroja käytännön tasolla ja erityisesti myynnin ja myyntipsykologian näkökulmasta. Myynnissä on viime aikoina tapahtunut merkittäviä muutoksia ja myyntihenkilöstön tulee kehittää omaa toimintaansa vastaamaan ostajien muuttuvia tarpeita. Tavoitteena oli ottaa selvää, tiedostavatko myyjät käyttävänsä myyntipsykologisia keinoja ja mikäli kuluttajamyynnin ja yritysmyynnin välillä on suuria eroja myyntihenkilöstön toiminnassa ja myyntipsykologian käytössä.

Teoriaosa erottelee ensin kuluttajamarkkinat ja yritysmarkkinat toisistaan sekä käsittelee ostajien käyttäytymistä ja siihen vaikuttavia tekijöitä näillä markkinoilla. Erilaisiin ihmisiin vaikuttavat erilaiset asiat ja psykologiset tekijät ja myyjän on elintärkeää tietää, mitä ostaja ajattelee ja millaiset hänen tarpeensa ovat.

Myyjä on useimmiten linkki myyjäyrityksen ja ostajan välillä ja siksi yrityksille onkin tärkeää kouluttaa ja kehittää myyntihenkilöstöään jatkuvasti. Myyjien tulee osata suuri määrä erilaisia taitoja ja myyntipsykologian käyttö on suhteellisen uutta myyjille erityisesti Suomessa. Myyntipsykologia on läheisessä yhteydessä asiakaskokemukseen ja myös tätä käydään teoriaosassa läpi.

Opinnäytetyötä varten suoritettiin tutkimus, joka koostui yritysmyyjille tehdyistä henkilökohtaisista haastatteluista ja kuluttajamyyjille suunnatusta sähköpostikyselystä. Tulosten perusteella molemmat ryhmät käyttävät jonkin verran myyntipsykologisia keinoja, vaikka he eivät aina niitä itse tiedostakaan. Psykologiset tekijät ovat kuitenkin läsnä lähes kaikissa myyjän teoissa. Tulokset osoittivat myös että myyjät painottavat eri asioita ostajille riippuen siitä, toimitaanko kuluttaja- vai yritysmyynnin parissa.

#### ASIASANAT:

B2B-myynti, B2C-myynti, ostokäyttäytyminen, myyntipsykologia, asiakaskokemus

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#### 1 INTRODUCTION

Selling as a job is nowadays underestimated. It is tough, intense and it is seen "unsexy". Most of it is because of the misconceptions raised by people working in sales and people affected by it. A usual misconception and interpretation about selling in Finland is a door-to-door salesman selling vacuums. Still, the best way for a company to ensure its successful future is to employ motivated and professional sales representatives. The professionals even noticed that there is much to improve in their own organization when it comes to selling and there are even bigger requirements and expectations towards the sales force than ever before. (Alanen ym. 2005, 9)

A famous author, Robert Louis Stevenson once said, "everyone lives by selling something." This is very true, and selling is also one of the key features of a company and therefore it is vital for the companies to constantly train and educate their sales organization. Everyone is affected by selling and everyone should also know how to sell. Controlling selling is vital as in the contemporary world it is nearly impossible to make others approve one's ideas or to get one's work contribution sold, if there is no knowledge about how to sell. It is difficult to imagine anyone who would not encounter selling at all as people sell all the time, although they do not acknowledge it. (Rope 2003, 9)

Selling as a business function has changed and adapted to the chances of today's business world, made mostly by marketing. However, selling is a vital part of any business, as through doing business and generating income, no company can succeed or grow. Selling has actually risen to be a more valued job in business sectors as competition is constantly growing, and good talented salespeople are hard to find.

Also buying is not the same that it used to be in the beginning of the 19<sup>th</sup> century, and in the current situation buyers are more interested in the whole solution and the price-quality ratio matters very much. The competition is very tough and there are a lot of different companies selling and buying and therefore it is diffi-

cult to differentiate from one another. By training one's sales force to excellence is a great way to stand out of the crowd and to be the best.

Companies should concentrate more on customer experience as the business situation has evolved from the point where companies sell to a point where customers buy. The customers seek information online and previous interactions either face-to-face or in the telephone have moved into the internet. The selling companies have to acknowledge this fact and they need to invent new ways to differentiate from others. By creating experiences to the customers the companies can be better than their competitors because it is difficult to differentiate with brands. (Löytänä & Kortesuo 2011, 27-34)

Especially in B2B-sales the customer relationship also is very important and companies are creating different ways to create that special relationship between the buyer and the seller. It is crucial for the seller to understand the buyers behavior in order to achieve the best solution and to sell successfully. If one doesn't understand the environment where the sales transactions take place, it is nearly impossible to actually sell anything.

The idea of sales psychology is a crucial part of sales, but it seems that the sales representatives do not acknowledge their use of psychological means in selling. It is seen that the concept of marketing psychology includes sales psychology as sales is an essential part of marketing (Jobber & Lancaster, 2000) but sales psychological functions differ greatly from marketing psychological functions. Thus it should be its own valued area of expertise. If it's not possible to differentiate oneself enough from others for example with the product, service or the price, it comes down to the salespeople to prove that their company is the right choice. All in all, selling and buying is still an interaction between people and usually people are quite complex and sometimes even mysterious. Psychology helps to understand these different kinds of behavior and naturally it benefits the salespeople when they understand different behavioral models.

The objective of this research was to study the differences between business-to-consumer (B2C) markets and business-to-business (B2B) markets in profes-

sional field of selling and it's subfields of sales psychology and customer experience. As sales psychology is included in marketing psychology, the authors will discuss the relationship between sales psychology and marketing psychology. The concept of customer experiences' through sales psychology is discussed to determine the level of customer experience that is delivered through salespersons working in these two different fields of selling. In addition, this research was conducted to find out the importance of sales psychology and it's use in both markets and if sales psychology is even consciously used by salespersons.

An interview was built to gather information from B2B salespersons and an internet survey to gather information from B2C salespersons. These actions aimed to find similarities and differences in sales psychology in B2B and B2C markets and in these two different fields of professional selling. The questionnaires can be found in the appendix 1.

This thesis was executed as an assignment to Helsinki Sales Academy, which is a company based in Helsinki with a task to train future talents to the field of selling in the business market. Helsinki Sales Academy is a combined training and recruiting company, which arranges a 4-month trainee period twice a year. A part of the company's vision is to develop their own actions constantly and therefore the use of sales psychology was researched.

#### 2 UNDERSTANDING THE MARKETS AND THE BUYERS

Understanding customer needs and wants should be the first thing to do for a seller. Also understanding the marketplace in which they operate is crucial. It is difficult for the seller to create and add value for the customer if there is no knowledge about their needs. (Kotler 2009, 123) Before we concentrate on the spirit of selling, we must understand both, the consumer markets that are here called also B2C markets and the business markets, called B2B markets. It is crucial to first understand how the market works and especially why the buyers behave in a certain way before trying to affect them. After all, it is easier to adapt for example your product and your sales strategy, when you really know what the buyers want, what they think and how they feel.

In general, the buying decision process can be separated into five different stages. It is vital for also the seller to recognize these stages, as it helps the seller to know how to affect the buyer in order to get the decision made. These five stages are depicted in the figure below.

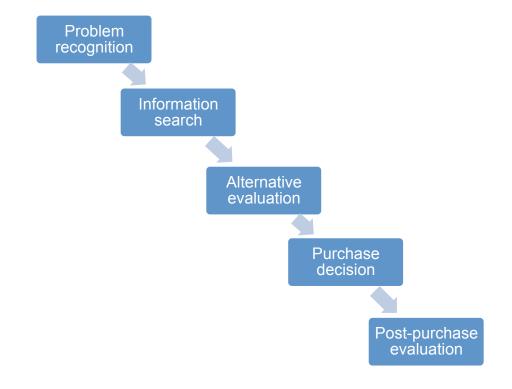


Figure 1. Five general stages of a buyer's purchase decision process. (Fill 1997, 96)

It is possible to impact any or all of these stages with marketing communications and respectively these communications impact with different levels of effectiveness. It might seem that selling is in a minor role here, but usually also the salesman affects the buyer in different ways. The seller might be the one finding the buyer's problem, the seller provides the buyer with more information and also guides the buyer to do the best purchase decision.

Buyers in B2B and B2C environments make decision differently during the buying process, as they are all human beings. More commonly, independent of the business environment, human beings tend to reason their purchases by reading advertisements about their purchased tangible or intangible. This is called a "cognitive dissonance", introduced by Festinger (1957) to "explain the anxiety felt by many buyers of expensive items shortly after purchase" (Jobber & Lancaster 2000, 38). Thus salespeople make after sales contact with the customer to reassure them of the right purchase and raise the value of customer experience. The concept of customer experience is introduced later in this work.

After sales contacts are made more in B2B environment as customer numbers tend to be fewer and thus more valuable in B2B than in B2C, where customers are in great numbers. However, customers buying expensive tangibles or intangibles are contacted, usually personally by the salespeople but this is less frequent in the field of B2C.

Contacting the customers personally is not alone enough to reassure them about their purchase: the level of after-sales service and the quality of the product will together combine the customer goodwill. Salespeople are, nevertheless, personally responsible of matching the customer needs. Matching the needs and wants with a proper solution will create more satisfaction and assurance than selling unnecessary things to the customers with higher price. This might increase short-term income but doesn't last in the long run as customers will chance to another producer or product to replace their earlier purchase. This is

the case in higher-priced goods in B2C, and in B2B this normally a programmed process on every price level.

#### 2.1 Consumer market

All the individuals and households who buy goods and services for their own use and consumption together form the consumer market. (Kotler 2009, 158-159). From this point of view it can be said that everyone in the world is a part of a consumer market. It doesn't matter if you're living on the other side of the world, whether you're young or old, whether your income level is different or whether you're educated differently.

Around the world there are different consumers, as people are of different age, they have a different income and education level and also their taste varies greatly while the variety of goods and services bought is large. Other consumers influence others in how they choose between different products, services and companies, and also how they relate with one another. (Kotler 2009, 159) This means that everyone is a unique consumer and the sellers must find out how to serve each and every one.

Consumer market expanded tremendously in the late 1990s because of the growth of public access to the Internet. Electronic retailing is one key reason behind the growth and this type of business tries to aggressively influence potential customers to buy. Companies operating in the B2C market also advertise their products and services online in various ways. (ApexTwo 2011)

Some main qualities of the consumer market are that the target market is very large, the sales cycle is quite short, the market is product driven and that the value of the transaction is maximized. Usually the buying decisions are also based on emotion, status or price more than pure sense. These decisions are often rationalized afterwards and the consumer usually comes up with different reasons why something must had been bought. Sometimes buying decisions are very quick and someone can buy something on the spot just because they happen to want it right now.

What's also characteristic for the consumer market is that the customers have multiple choices in products and services to choose from but the tailoring possibilities are very close to none. Although the consumer market is already very large, it has been growing more and more lately thanks to the online market. Public access to the Internet has made it much easier for the prospective buyer to get more information about the products or services and buying can be done easily online with just a few clicks.

As the sales cycle is shorter, the seller must execute different campaigns to ensure that the buyer is aware of their products and that the customers need is satisfied rapidly. The customer experience is very important to keep in mind although it might seem that the level of customer relationship is not that high. Still, one very important aspect in the consumer market is loyalty, and companies try to enhance this with different deals or informative e-mail campaigns. (ApexTwo 2011) Having a strong brand means almost everything in the consumer market, because it builds long-lasting customer relationships and it also affects more customers at the same time. After all, it is easier to maintain the current customers than to obtain new ones.

#### 2.1.1 Buying behavior in consumer markets

Although the seller working in the consumer market might know what the market is about, it is still very difficult to really understand why the consumers behave in a certain way. Companies use a great amount of time to find out what the consumers buy, where they buy it and how much they buy. Instead, the seller should concentrate more on the why-factor and try to get inside the consumer's mind. This is very challenging, especially because even the consumers don't always know why they behave in a certain way and what really influences their buying behavior.

Most of us evaluate the things we buy: "Is this tastier than the other yogurt?" or "This is cheaper than that, let's take this!" Sometimes people buy the way they have used to: "I like this one (i.e. brand, taste, values) better than others." There

are four steps in evaluation of alternatives process that leads the customer to a best overall solution.



Figure 2. Four steps in evaluation of alternatives process. (Jobber & Lancaster 2000, 37)

Evaluative criteria act as dimensions to the customers as, for example, what is important: quality, quantity, external factors or internal factors. Some might choose the style, some quality and some the manufacturing country when selecting a shirt or skirt. Beliefs play an important role in the selection process: some might think a certain brand possesses quality and style that matches the consumer's mind. Next step is the attitudes behind various brands. Some do not like Nike as they had child labor lawsuits and some put it aside as the quality and style of Nike is really popular among people who do sports. This can be reflected as liking or disliking, which can be either way depending on what is important and in beliefs. Positive attitudes towards a brand can be seen as a high probability of choosing that particular brand instead of others. This can be called as intentions. "The assumption is that favorable attitudes will increase purchase intentions, i.e. the probability that the consumer will buy" (Jobber & Lancaster 2000, 37).

Taking notion of these steps as a system, salespersons can use psychological means to either distract the customer to chance focus from less favorable gains to more favorable or/and to attract the customer to pay attention to attributes that are close customer's beliefs and attitudes. Salespersons should ask questions which intentions are to find customer's values, what does he like and what does he appreciate. Finding these values and beliefs can be used in favor to get more sales.

"When the consumer accepts the offer, the seller can close the deal right away. Consumers might decide to buy because of a momentarily impulse or to follow a trend and the arguments affecting the deal are often feeling-based. Usually the consumer also has the money immediately available for the buy." (Linkama 2011) Consumers are often very irrational in their behavior although they might think that they know exactly what they want and that there is nothing that the seller or the marketer can do to influence them. Nevertheless, there are some examples about the fact that the human mind doesn't always work as believed. The McGurk effect is a very good example, and it means that a person is hearing something else when one's eyes are closed or open. This is a simple example of cheating the human brain and it has become more and more important for the seller to understand how the human brain and mind works. Sellers can manipulate other people to buy things they wouldn't otherwise buy and companies are increasingly hiring behavioral scientists to research this topic and to help sell more products.

#### Factors affecting the consumer decision-making process

These three categories inside buying situation were founded by Howard and Sheth in 1969. When a consumer is buying something new and highly priced goods (i.e. a house or a car), their hunger for information grows with the price.

- 1. Extensive problem-solving
- Limited problem-solving
- 3. Automatic response

Consumers tend to conduct a search of information before buying the product, as they want to make the right decision. This is called a "cognitive dissonance", that is explained earlier in this work. Salespeople can use this as an advantage by providing the customer with information and introducing alternatives to the customer. Before making the final decision customers will look for alternatives from competitors with similar goods. Customers will compare, decide final few options and ultimately choose the best alternative. This process might take time before the final decision has been made thus the role of a salesperson will play an important role which should direct the customer to purchase from the trusted salesperson. Customers go through this in extensive problem-solving stage.

After an extensive problem-solving case, the customer might and possibly will go back to the trusted salesperson for a rebuy. However this can not be categorized as automatic response, the customer will still use time and effort to make the right choice with the new knowledge gathered concerning the same issue as before. This stage will give a limited opportunity for other producers to persuade the customer to change brand.

"Companies who have built up a large brand franchise will wish to move their customers to the state of automatic response." (Jobber & Lancaster, 2000, 40). Big corporations try to establish so good brand image so their customers will come back with less effort by the company marketing and salespersons.

"The key influence on whether a consumer conducts extensive or limited problem-solving or automatic response is his or her level of involvement with the purchase." (Jobber & Lancaster, 2000, 40) The level of involvement is associated with the importance of the purchase to the customer. More expensive goods tend to have higher importance compared to everyday shopping in a supermarket whilst buying a bread will just a couple of seconds.

"Consumer purchases are influenced strongly by cultural, social, personal, and psychological characteristics. For the most part, marketers cannot control such factors, but they must be taken into account." (Kotler 2009, 161) The seller and the marketer can do various things in order to influence the buyer, but for ex-

ample cultural and social characteristics can only be taken into account and there is very little or nothing that the seller can do about those. Culture guides the person's wants and behavior to a great extent and for example a child learns different types of behavior and wants from the family. Subculture, for example nationality or a religion, also affects the buyer's behavior and companies even design their products to answer these different groups' needs.

Social factors such as groups or social networks define and guide buying behavior, as a person is influenced by the opinions of other members in the group. Members of the family can influence buying behavior very strongly and family is considered as the most important buying organization in the society. Identifying a group that a buyer belongs to is very crucial for the seller because then they know better how to do marketing and sell to the buyer. Identifying an opinion leader in a group is probably even more important: these leaders work as "brand ambassadors" and create more sales by spreading the word about the products.

Personal factors, such as age, occupation or the lifestyle define one's behavior also. It is very age-related what people buy and their taste in different categories changes as their age changes. A person's occupation naturally guides the buying decisions, for example business people tend to buy more business suits than others. This is also where the person's economic situation affects the decisions, as the well-paid people usually buy more expensive products. Lifestyle means the person's pattern of living and usually buyers just don't buy products or services – they buy the values and lifestyles that those products and services present.

#### The environment

### Buyer's black box

## Buyer responses

- Marketing stimuli: product, price, place, promotion
- Other: economic, technological, social, cultural
- Buyer's characteristics
- Buyer's decision process
- Buying attitudes and preferences
- Purchase behavior,: what the buyer buys, when, where, and how much
- Brand and company relationship behavior

Figure 3. Model of buyer behavior. (Kotler 2009, 161)

The figure 2 depicts a simple model of buyer behavior but we must remember that the human mind is very complex. Different people have different values and thoughts and everyone responds to certain stimulus in their own way.

#### 2.1.2 Different types of buying behavior in the consumer market

There are three different types of problem solving behavior that the consumers can be categorized into. It is rare that the buyer would make the decision in a same way every time and for example the availability of time and the involvement that the buyer feels affect the decision sequence. (Fill 1999, 97-98) Depending on the product/service and also the cost of it, the consumer behaves in a certain way. If the purchase is something unfamiliar or valuable, for example a car or a house, the consumer searches for a lot of information, puts a lot of effort into it and spends a lot of time to find a satisfying solution. This is called extended problem solving. Limited problem solving again is used when the consumer has already experience about the product and therefore there is no need to search information to a large extent. The last type, routined response behav-

ior, means that the consumer already has made numerous purchases and that the products/services are bought frequently and they also have low value for the consumer.

Buyers in the consumer market also think a lot about the risk involved in the purchase, mainly because they have little or no experience with the product/service they're about to buy or with the decision process associated with it. There are different aspects of a risk but Settle and Alreck have identified five different forms. (Fill 1997, 99)

- 1. Performance risk: how will the product perform?
- 2. Financial risk: can I afford this?
- 3. Physical risk: will the product endanger me or others in any way?
- 4. Social risk: will my friends accept my decision?
- 5. Ego risk: will I feel good after the decision?

In addition to these, time is usually also considered as a risk factor, as the consumer might think if the buying decision will lead to an efficient use of time or whether the consumer can afford the time used to search for the best decision.

What also matters for the consumer is the level of involvement with the purchase of the product. When the level of involvement is very high and the decision is complex, the buyer often needs other participants to make the decision and there is much discussion between these parties. (Kotler 2009, 176) There are different types of behavior when it comes to the level of involvement. For example complex buying behavior is in use when the consumer is going to purchase something expensive, unfamiliar or something that is purchased very rarely. Some customers on the other hand behave in a habitual way when the level of involvement is very low and brands don't have significant differences.

Consumer buying processes are individual. One might purchase a Snickers bar from the shelf next to a counter to fill a sudden need for something sweet. This is called an impulse purchase. However, even in consumer markets, decision-

making unit can consists of a household and thus involving others into the process. In these situations individuals will affect the buying process. Usually this happens through different roles introduced in the buying process. "Engel at al (1993) defined five roles in the decision-making unit (Jobber & Lancaster 2000, 35)":

- Initiator the person who begins the process of considering, a purchase. Information may be gathered by this person to help the decision.
- Influencer the person who attempts to persuade others in the group concerning the outcome of the decision. Influencers typically gather information and attempt to impose their choice criteria on the decision.
- 3. Decider the individual with power and/or financial authority to make the ultimate choice regarding which product to buy.
- 4. Buyer the person who conducts the transaction: who calls the supplier, visits the store, makes the payment and effects delivery.
- 5. User the actual consumer/user of the product.

One person can assume some of these roles at the same time. "In a toy purchase, for example, a girl may be the initiator and attempt to influence her parents who are the deciders. The girl may be influenced by her sister to buy another brand. The buyer may be one of the parents who visit the store to purchase the toy and bring it back to the home. Finally, both children may be the users of the toy." (Jobber & Lancaster 2000, 35) This example shows an example of the complexity of the decision-making process in consumer markets. A salesperson should identify and understand the roles to be able to close the sale with higher succeeding percentage by influencing the right dominant roles. However, sometimes the ones in influencer roles might act as the right passage to influence the buyer to make the right decision in favor for the salesperson.

#### 2.2 Business markets

Usually in the business market the organizations are operating in a specific field depending on their services and/or products and this naturally limits the amount of organizational buyers and potential clients. Normally the business marketer and the salesman deal with far fewer but on the other hand far larger buyers, than the one working on the consumer market.

Some might think that the competition is more aggressive in the business market as in the consumer market, as there are fewer buyers. Famous industries have more competitors competing from same clients and thus the competition is fierce for example, the IT-industry. Businesses selling IT-services or products are rapidly increasing in the contemporary business world. Although businesses have fewer buyers, the capital gained from these buyers amount around 80% of the whole sales.

B2B market differs from the B2C market because the marketing mix used in the B2B market is mainly emphasized on personal selling. The use of other marketing communications such as advertising and sales promotion is in a smaller role. (Fill 1999, 535) Although the ones making the decisions in the B2B market are also humans, they must be influenced differently. Facts and figures are far more important and almost always there is a larger sum of money involved in the business. When in the consumer market the money is available immediately, usually in the business market different investment suggestions have to be made in order to acquire the money.

#### 2.2.1 Buying behavior in business markets

Organizations cannot only sell, they also need to buy different things in order to function correctly. Materials, parts, general supplies and services are purchased and bought from other companies. Sellers must understand organizational buying processes and behavior, just as consumer buying processes. (Fill 1999, 106-107) What is notable in the business market that although the buyers are

humans as well, there is usually a group of buyers involved in making the decision. There are representatives from different departments and all of these have to be assured about the product that one is selling in order to make them buy. This is what makes organizational buying more complex and at the same time it takes more time to make the decision. There are a lot of similarities between consumer and business buying behavior, but some major differences can be found in the nature of the buying unit and the whole decision process.

Achieving the corporate objectives is always on top in the organizational buyer's mind and in the end the decisions they make contribute to these objectives. However, sometimes the buyers have personal objectives as well and in general the needs and wants of the buyer are very complex. (Fill 1999, 107) Organizational buying is usually more rational than consumer buying. Organizational buyers focus more on the facts and figures. The different interests of owners, stakeholders, interest groups and managers have to be considered thoroughly. This way it should be ensured that the best solution for satisfying everyone is achieved.

Still, the decision-making process is a social phenomenon and everything is not as rational as it seems. People might have hidden agendas or secret deals that they keep secret and naturally these guide their action in the decision-making process. Decision-making is rational only to a certain point and usually decisions are not that optimized as people might think. This is because decision-making and problem-solving takes time and effort and once a satisfactory solution has been found, the process usually stops.

Organizations tend to have specific requirements towards everything they buy. Sellers must tailor their products and services to meet the needs of the buyer which is different from the consumer market where customers have multiple options to choose from but there are practically no tailoring possibilities. Smaller companies might also be in a weaker situation, because sellers are willing to do more tailoring when the sale is larger. The seller is not going to meet specific requirements if it makes the sale unprofitable. As the sale grows, the seller is ready to do almost anything in order to close the deal.

For the buyer it is important to have the feeling of trust towards the seller. It is the key feature of every good relationship and the buying organization is not going to buy from a seller that they cannot trust. Sales negotiations with a reliable seller and with the same salesman throughout the whole process are very likely to end up successfully. Negotiations in general are very important, because although they mostly consist of discussing about the right prices, right product specifications and processes, they also build the relationship between the seller and the buyer.

Fisher (1976) broke organizational buyer behavior down into three elements:

- 1. Structure "who"
  - a. Who participates in the decision-making process, and their particular roles.
- 2. Process "how"
  - a. The pattern of information getting, analysis, evaluation and decision-making which takes place as the purchasing organization moves towards a decision
- 3. Content "what"
  - a. The choice criteria used at different stages of the process and by different members of the decision-making unit.

To understand the structure behind organizational buyer behavior thoroughly is to comprehend the decision making-unit (DMU) that consists of persons from various business sectors inside the organization. These people will play various roles in the decision making-unit through the process and sometimes the roles and people will change during the process. Webster (1995) and Bonoma (1982) identified six roles in the DMU:

- 1. Initiators. Those who begin the purchase process.
- 2. Users. Those who actually use the product.
- 3. Deciders. Those who have the authority to select the supplier/model.
- 4. Influencers. Those who provide information and add decision criteria throughout the process

- Buyers. Those who have authority to execute the contractual arrangements.
- Gatekeepers. Those who control the flow of information, e.g. secretaries
  who may allow or prevent access to a DMU member, or a buyer whose
  agreement must be sought before a supplier can contact other members
  of the DMU.

As the names imply, one person may have multiple roles: The initiator might be also the user and influencer while a managing director may be decider and buyer at the same time. Gatekeepers usually play an important hidden role in first contact as they may prevent access to contact deciders or buyers for a product or service. Sometimes gatekeepers can be passed by marketing or through information search from various sources.

DMU can be really complex and inflexible in the decision-making process. It may involve dozens of people from various organizational levels before an agreement can be found. This is why it is really important to find the key/right people to discuss and meet with. According to Jobber and Lancaster (2000, s. 47), salespeople have two deadly sins: "working within their "comfort" zone" and "spending too much time with "nay sayers". Salespeople tend to work within their comfort zone which is to working with the people and environment they tend to like and feel comfortable while instead they should be working out of their comfort zone which would be working with people they do not know and even in the environment they do not feel comfortable. The latter sin is about spending too much time with people who do not have the authority to say yes to a business deal, only no. There are other possible solutions to get an agreement from the buying organization e.g. a highly technical solution can be cooperated with engineers in the buying organization to meet specific demands and wants.

#### 2.2.2 Different types of buying situations

Organizations, as well as consumers have different things and therefore they also buy different things. Some of the things that are bought are normal when others might need a lot of thought before they buying decision is made. Probably the easiest situation is the straight rebuy, which is fairly routine and happens when same things are bought than before. A modified rebuy, which is in the middle requires the buyer to study different options and put some effort into the buy, because a product might have changed or the requirements of the company are different. The extreme decision is the new buy, which means that something totally new is bought and the buyer has to do very much research before the buying decision is made. (Kotler 2009, 196-197)

The straight rebuy being a routine task is something that almost every company does, when they reorder without doing any modifications to anything. The buying organization faces little risk when they can choose from an existing list of suppliers/sellers and they know already how the seller works. Sellers even propose reordering plans for the buyers so that they can save time.

A modified rebuy requires some consideration and time but the decision is often based on previous decisions. There are usually more participants in making the decision about a modified rebuy than a straight rebuy. Buyers want to modify the prices, terms or product specifications and sometimes even suppliers. Some suppliers need to do everything in order to keep the buyers and some suppliers see this situation as a chance to add value to their sales.

The new buy is a very challenging situation for the buyer. The number of people taking part in the decision-making grows as the cost of the decision or the risk involved in the decision grows. Each one of these decision-makers needs a lot of information and also time to process that information. This is why a new buy usually takes a lot of time. For a marketer or a seller the new buy situation is a very good opportunity, because the seller can provide just the information that they want and reach as many buying influences as possible.

#### Phases of the organizational buying situation

The buying process in the business market includes more phases than the consumer buying process. In general these processes are quite similar, but the business buyer faces more steps. All of these stages are usually met only in the new buy process and within the other two buying situations some of these steps are skipped over. The following figure shows the basic steps but sometimes companies might combine some steps into one. Usually the process is also much more complicated than these following steps present, but here we examine all of these steps in order to get a holistic view of the process.

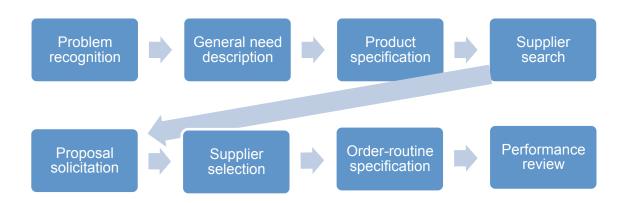


Figure 4. Stages of the business buying process (Kotler 2009, 201)

First the buyer must recognize their problem in order to start the buying process. Someone in the company might be unhappy with the current situation, new products may be launched or the purchasing manager might get new ideas at a fair or see and advertisement and get interested. When a problem is recognized, the buyer must describe the need generally. This includes describing the characteristics of the wanted product/service and naturally for simple items this step is very easy to execute. For more complex products this step might take more time as there are usually more people defining the need.

The product or the service that the buyer is willing to buy must be specified in order to begin the search for the supplier who is able to fill the need. Specifying

the product is very important, as when it is done accurately, it will be much easier to find a supplier. There are fewer options, when it is clear what is needed. Less time is needed to compare the different suppliers and it will also save costs.

Supplier search is naturally the next phase and the buyer has different ways to execute this. Calling other companies for references, searching from the internet or some can also use different trade directories to find the appropriate suppliers. Internet has become more and more popular also in the business market to find information and suppliers at the same time. It also applies here that the newer the buying situation is or the more complicated the product, the more time it takes to find the supplier. For a supplier it is vital to keep up the good image so that the buyer is more likely to find them.

Once the product is specified and the list of suppliers is compiled, it is time to ask the suppliers to send in their proposals. The supplier must configure their proposal to meet the buyers needs and the proposal must be written in a way that it influences the buyer. Therefore it cannot be all about facts, but the buyer must do some marketing in the proposal as well. After all, it is the proposal that differentiates the supplier from others and at the same time it might generate trust. Buyers usually evaluate both, the supplier as a organization and the product specification defined in the proposal.

When all the proposals have been examined the buyer selects the best supplier or suppliers for their need. Buyers evaluate these suppliers and compare for example service quality, price, reputation and ethical corporate behavior and based on these attributes they choose the supplier. Still, this doesn't mean that the buyer is happy, but usually negotiations are held for example about the price or other terms of the buy. Sometimes buyers choose more than just one supplier to avoid the risk of being dependent on just one supplier. Some companies though use just one supplier and they work together with the supplier to reach the goals of each other. Using a single supplier might also be more costefficient than using multiple suppliers.

After all of these steps it is time to place the order to the supplier whose proposal suits the buyers need in the best way. The buyer and the seller might make periodic purchase orders but some make blanket contracts as well. Long-term relationships usually require blanket contracts because then the buyer can trust the seller better. When the business gets large enough, the buyer and the seller usually co-operate and they share much information about the sales and inventory with each other.

Reviewing and evaluating the seller performance is crucial after the order has been delivered. The buyer might want to modify future orders if for example there has been something wrong with the product or if the time of the delivery has not been satisfying. The seller must correct these possible mistakes in order to keep the buyer satisfied and so that the buyer will buy again.

#### 2.2.3 Key Account Management

Key account management is a form of business strategy usually used by B2B companies.

"Key account management is a strategy used by suppliers to target and serve high potential customers with complex needs by providing them with special treatment in the areas of marketing, administration and service. (Jobber & Lancaster 2000, 127) This sentence combines what KAM really is all about. Furthermore key account clients can be identified or structured through three steps:

- 1. Customer must have high sales potential
- 2. Complex buying behavior e.g. large decision making unit
- 3. Customer is willing to enter a long-term relationship or partnership

In a more simple form this would mean: "providing special treatment to special customers", which can be applied to many various business sectors. Taking care of your customer is extremely important as on average; around 70 per cent of income comes from KAM customers. Results would be dramatic if a company

would lose even one of its few KAM customers and instant actions would be required to fix the situation. This is why KAM is highly important to be included into a company's business strategy. Key account management might require extra resources from the seller to ensure the special attention and to maintain special relationships that key account clients requires. However, searching and obtaining new customers is generally important as well as actively obtaining new B2B customers as the company can thus be prepared to a dramatic situation that might occur by losing a major partner. Key account management can be defined into six different stages according to the importance, size and income generated by a company.

#### The Six Stages of KAM

Key account management can be divided into six different categories depending on level of involvement with customers and nature of customer relationship. This relational development model is developed by the simplicity or complexity of a level of involvement added with a nature of customer relationship from transactional to collaborative.

#### Pre-KAM

The aim in this stage is to discover potential key accounts by identifying potentiality of future transactions and business relationship an account might preserve. This information can be acquired by making other products and services available while having an informative conversation about the buyer. A relationship is yet to be formed as a breakthrough might occur if current supplier has done something wrong that might end their relationship. This waiting process will require patience and persistence that might turn out be rather difficult.

#### Early-KAM

"Early-KAM involves the exploration of opportunities for closer collaboration by identifying the motives, culture and concerns of the customer." (Jobber & Lancaster 2000, 132) This is where the buyer needs to be convinced by the seller about the reliability of delivery and services and thus building trust is es-

sential throughout the process. The customer will be told about the benefits of being a preferred customer by open communications and by tailoring services to meet special needs of the customer. As close collaboration is started the seller will use more resources to secure maximal customer satisfaction and perfect delivery of the services to the buyer. The buyer will be monitoring the process closely and any requirements given will be faced with care and quickly by the seller to ensure every need is met. This builds trust and creates close and more personal relationships between the companies.

#### Mid-KAM

Mid-KAM presents the stage where trust and closer collaboration have been established. The customer is now a part of a small group of preferred sources that now requires more attention and more people to work around the whole process. This might involve social events to create closer relationships between the companies as the buying process grows more complex and involves more resources. Senior level management will take part as the customer becomes more important.

#### Partnership-KAM

Partnership is the stage where the customer is a "important strategic resource" to the company. Partners usually generate around 80 per cent of the whole income while sharing delicate information. Companies now work together to solve problems and do collaboration on product development. Possible partnership agreement is made for the future and the buying company has channeled almost all of its business through one company. This partnership is closely monitored and high level of service and products are expected while a key account manager is creating a higher state of trust to match out competitors.

#### Synergistic-KAM

This is the highest form of business partnership. Two companies do not see themselves as individual companies but as a larger entity. Relationships have come so close between the companies that joint business, research and development and marketing e.g. have been melted together. Goals are defined to be met together while capital movement system has become transparent. Basically the two companies are working as a one and improving one another to meet desired goals.

#### **Uncoupling-KAM**

This is where business relationship has come to an end. Negotiations have ceased and causes are searched to understand this outcome of the relationship. Some of the explanations can be e.g. a fault in order, breach in trust or key personnel have changed. Uncoupling can happen in any part of the relationship or KAM-process for various reasons but in most cases price is not the cause. Cultural clauses, wrong interpretations in discussions or taking a partner as granted can be the cause for uncoupling as well. Sometimes the promised quality or quantity is not met which will create dissatisfaction and sometimes a company in possible financial problems might dampen the attractiveness of the client.

Key account management is used and should be used a lot in B2B business. According to Jobber and Lancaster, (2000, 126) around 70 per cent of a B2B company's income comes from several or less partner companies. This rises up the importance of customer care in every aspect in business, as if even one major partner is lost, the results are dramatic. Thus close relationships are required to avoid this kind of a situation. However it is always important to reach for new possible companies to start a relationship with to ensure a growing, more stable business.

This is where selling in B2C and B2B has the most difference. In most cases in B2C, customers compare prices and buy products or services from the easiest market or store, and if there is a better price somewhere else they buy from there. However, there are some differences between the business sectors of B2C e.g. hairdressers, clothing departments, car retailers and car accessories and specialized stores. Consumers tend to revisit a store where they got a posi-

tive service experience. Women tend to go back to a hairdresser they have found to be good and consumers that have a hobby tend to go to the specialized store where they feel they can be themselves with other enthusiasms. In these kinds of stores consumers are more loyal and usually in these stores a some sort of account/consumer management program is being used. But typically, there is no KAM used in B2C business.

Key account management is used and should be used a lot in B2B business. According to David Jobber and Geoff Lancaster (2000, 126), around 80 per cent of a B2B company's income comes from several or less partner companies. This rises up the importance of customer care in every aspect in business, as if even one major partner is lost, the results are dramatic. Thus close relationships are required to avoid this kind of a situation. However it is always important to reach for new possible companies to start a relationship with to ensure a growing, more stable business.

#### 3 THE NATURE OF SELLING AND SALES

#### 3.1 Defining selling

"The simplest way to think of the nature and role of selling (or salesmanship as it is sometimes termed) is that its function is to make a sale" (Jobber & Lancaster 2000, 4). This statement simplifies the role of selling to a result-based point of view, however selling as a concept includes various processes, principles, techniques and finally personals skills to seal a deal. Thus the word "selling" covers a wide range of different types of selling tasks. The type of selling can also differ greatly where some sell directly to homes and other work only in export markets.

"Selling is very usual and people from all over the world face situations every day where something must be sold in one way or another. Convincing the employer about one's expertise can be seen as selling when applying a job and people also sell their ideas when they for example try to decide what to do. The opposite party has to be convinced about the idea and accept it, and to do this the idea must be sold. Selling is often seen very narrowly, but there is more to selling than just selling products: making one's ideas and thoughts accepted is one way of selling as well." (Alanen ym. 2005, 13)

Defining selling and sales is something that would seem to be very simple and easy. Yet again, different people give different answers when asked to think what the "selling" really means to them. Here are some example answers:

- Selling is finding a need and filling that need
- Selling is a transaction
- Selling is all about trust
- Selling is a process of persuasion to get a prospect to take action
- Selling is about making an impact (SellingPower 2009)

As we can see, there are various different ways to define selling and almost everyone has a different definition for the word. It can also be said that the defi-

nition of selling and sales differs when asked from salespeople or when asked from the buyers. Salespeople tend to see sales as problem solving and that they want to help the buyer, whereas the buyer might see selling as an action where someone thinks that there is something wrong with the buyer's operations.

One big trend that has been happening in the field of sales lately is that there are more transactions executed online than ever before. Many companies have their own e-commerce and buyers also search more and more information from the internet. The availability of information to a normal consumer has expanded rapidly and the sellers must remember this as well. Once something is in the internet, it spreads very quickly and soon everyone in the world might know it. This is problematic especially if it's something bad for the company.

The internet and e-commerce have truly helped the transaction between the buyer and the seller and it would seem that the companies doing sales wouldn't need salespeople anymore, as more and more commerce happens online. Still, it isn't guaranteed that the buyer finds the seller or even if the product is perfect it might not sell. This is where salespeople are needed - to deliver the information to the buyer and to ensure the buyer about the product or the service that is being sold.

All of the steps in the sales cycle are important, but one of the most critical step is to understand the customer and establish a trustworthy relationship. This step is often missed by salespeople and the importance of this first step cannot be stressed enough. Establishing, building and developing an effective relationship with the customer takes time and the seller must be ready to do this. No matter whether it is in the B2B field or B2C field or what the sold product or service is, the sales cycle always includes the same steps all the way from prospecting to closing the sale and maintaining the relationship.

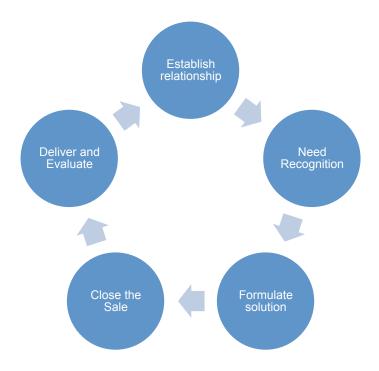


Figure 5. Sales Process Model (http://www.better-sales-and-selling.com/salescyclesteps.html)

What varies in the sales cycle between different markets is the length of a certain step and also the depth of a certain step. The sales cycle being relatively short in the B2C market means that there is little time to establish to relationship and that it is more difficult to maintain it. In the B2B market the sales cycle takes longer to complete and each step usually lasts longer than in the B2C market. The salesman must recognize these different stages and act accordingly, as pushing the sales too early in the cycle will most likely end in failure. This is something that too many salespeople actually do, as they don't have the patience to take the time and go through each step of the cycle.

Probably the most important step in the cycle is establishing the relationship, as building an effective relationship and understanding the customer will lead the seller to better sales. This is also something that some sellers forget to do, as they are very interested in having the sale but they forget to take care of the customer. They stop worrying after they have closed the sale. Still, the salesman who searches for additional information about the customer and is ready to

understand the different aspects of the buyer's business will be the best and the most earning at the same time.

The action where the sales representative sells products to the buyer is often the image that people have about selling, but there are more different layers and styles when it comes to selling. (Rope 2003, 15) There are 3 different types of selling that can be differentiated, and these are office sales, negotiation sales and representative sales. All of these differ in some aspects, for example office sales means that the buyer comes into the office to buy products or services and the seller serves the buyer in a way that the sale is as large as possible. Negotiation sales are based on expertise and for example experts from different fields execute negotiation sales when they try to convince other members of the organization with different demonstrations. Personal selling is a key part of all of these three different types as the salesman is the one actually doing all the work.

#### 3.2 Personal selling

"Companies all around the world use sales forces to sell products and services to business customers and final consumers. But sales forces are also found in many other kinds of organizations. For example, colleges use recruiters to attract new students and churches use membership committees to attract new members. Museums and fine arts organizations use fund-raisers to contact donors and raise money. Even governments use sales forces." (Kotler 2009, 482) It can be seen that personal selling has been around us for centuries and sometimes it is also considered as one of the oldest professions in the world.

In most companies sales personnel are the single most important link with the customer. Even the best-designed and planned set of marketing efforts may fail because the sales force is ineffective. The front line role of salesperson means that for many customers the salesperson is the company.

Personal selling has become more and more professional and in the contemporary situation it is not only about delivering the message and confusing the cus-

tomer to make the buying decision. Sadly, to a major extent this still is the image that most people have about selling. The role of personal selling has become more important, as buyers want to have a personal contact with someone rather than executing an automated sales transaction. The work of a salesman is also changing towards a situation, where the salesman maintains the customer relationship, builds it, leads it and develops it. The salesman has many different roles in this contemporary situation and it is not only about selling anymore.

Personal selling is generally associated with a great number of strengths and weaknesses. What is remarkable is that some of the strengths can sometimes be seen as weaknesses and vice versa. This especially happens when there is no control over the communication process and the management is not involved as much as it should be. (Fill 1999, 440) A major strength is that there is the possibility for a two-way interaction, where the buyer can ask questions and discuss with the seller. The situation is also easier for the buyer to handle, as one can concentrate on the selling situation as there is less distraction. As the seller also finds out the buyer's needs in the personal selling situation, the seller can easily solve the buyer's problems and tailor one's messages.

When compared to other means of selling, personal selling is relatively expensive. The cost of contacting a buyer personally is high and this is truly a disadvantage. This is why companies have developed different ways of contacting the potential buyers to save time and money. For a salesman doing personal selling, the reach through personal selling remains low no matter how much funds or resources there are available. As the personal relationship can be seen as an advantage, sometimes it might also be harmful if there is no control over the message that is being delivered to the buyer.

In the contemporary situation the salespeople is starting to be well-educated and they are professionals who keep on training all the time. Adding value for the customers is one of their main tasks and their goal is to maintain long-term customer relationships. They also possess sales expertise, which can be seen when they work in a customer-oriented way by listening to the customers and

evaluating their needs. (Kotler 2009, The modern salesman really cares about one's customers and knows what they are doing. When the situation is very complex, personal selling is usually more effective than other means of promotion or selling, as the seller can adjust the offer to fit the needs of the buyer. It is also possible for the salesman to strengthen the positive atmosphere and to gain trust with personal selling.

### 3.2.1 Qualities needed in personal selling

"Field surveys show that top sellers differ from average sellers in approximately eight different qualities or skills. The signs of a top seller repeat over and over again no matter what the field or industry. These signs are attitude, goal-setting, presentation skill, product knowledge, presence, acquiring new customers and additional selling, ability to get along with different persons and the deal closing skills. It is difficult to arrange these signs as each one has their own significance in achieving a great result." (Rummukainen 2008, 11)

A good salesman must have the need to accomplish the tasks that are at hand and it is even better if these tasks and the goals related to them are set by one-self. It might take a long time before the salesman can close the deal and this is why also proactivity and diligence are needed. The buyer has to think over and over again, and the salesman must stay calm and relaxed in any situation.

It is only natural, that some people enjoy selling and others could never think about selling anything. To be a good salesman one must feel to be the right kind of a person for selling and that selling as an occupation is natural and interesting. Still, some selling skills can be learned to a certain extent and one good quality of a good salesman is the readiness to learn new things and that jumping into a new situation is not scary. Working outside one's comfort zone is something that every salesman should be able to do.

The sales representatives must have a broad knowledge of the business that they are operating in. Knowledge about the product and its qualities is very necessary but not enough, as the sales representative must also know much more. Gaining knowledge about the competitors, their products, about the market that they are operating on and also the development of the market. If a sales representative knows where the market is going, it is very beneficial for the company as well. (Rope 2003, 97)

Not everyone can become a great salesman, but the knowledge about what is being sold helps in achieving better sales. Still, it is not necessary for the salesman to know everything about the product, but only the qualities and benefits that are interesting for the buyer. Selling skills can be practiced in the same way as practicing anything else and a good salesman also understands the value of repetition and that failure is a natural part of selling. Through unsuccessful experience the salesman can learn how to be successful and a good salesman never stops learning new things.

Emotional intelligence is often stated to be one of the most important qualities of a sales representative. Identifying the feelings of the buyer and the sales representative himself and acting based on these feelings is crucial and the sales representative must also motivate oneself. Controlling the feelings and emotions is crucial, and the best way to show emotional intelligence is to respond in an appropriate way to the feelings that the customer shows. (Alanen ym. 2005, 18)

The salesman must understand that the world of selling and buying has changed critically in the recent times, although the selling skills might have stayed the same. In the current situation customers appreciate salesmen who are ready to spend time in getting to know the customer. Trust between the both parties is essential and it takes a long time to establish a trustworthy relationship. Trust is often, if not always, the key element of a good relationship as trust includes the belief that all the promises are kept and that the other party will not act in a harmful way in any situation.

"Sales executives are always looking for ingenious ways to motivate their teams. They stage grand kickoff meetings to announce new bonus programs. They promise exotic trips to rainmakers. When business is slow, they hold sales

contests. If sales targets are missed, they blame the sales compensation plan and start from square one." (Harvard Business Review 2012) In contrast to this, a great salesman is self-motivated and doesn't demand external motivators as they are only an additional bonus for him. These motivators, such as commission and different bonus programs might aid the salesman in selling more, but the salesman must have the fire inside him burning towards sales.

## 3.3 Transformation of selling through time

"The development of the society, changes in the environment, fluctuations in the market situation and changes in the political situation around the world have all had their effects on the development of selling. After the war, in the 1950s, there was a smaller amount of products to be sold so the salesman did not need special selling skills to make the customer believe in the sold product" (Alanen ym. 2005, 20). The world of sales has come a long way from this and selling is really different from what it used to be.

In the past people also believed that selling skills were something that others were born with. Some people might have thought that selling skills could not have been learned and selling as a profession had very low respect. This might have been because of the little amount of products on the market, so people might have thought that selling was not a real profession. In the 1960s and 1970s a major change occurred, when the amount of products on the market expanded and the companies also realized that they had to change their approach towards selling. The customers started to want more service and guidance and the actual buying of the product was not satisfying the customer anymore.

The international competition has also brought another aspect to selling. Companies face more and more challenges when there are international companies operating in the same field. Salespeople have had more challenges after internationalization and companies started to set more accurate goals for selling and also they started to plan selling to a further extent. It was not enough anymore,

that a single salesman sold a required amount of certain products in a year, but it became more important that the salesman understood his role as a part of the company and that the company's goals were also guiding the salesman's work.

In the end of 19<sup>th</sup> century companies also started to understand that they had to change their selling from a mindset where the product came first to a mindset where the customer was in the center of attention. Customers began to have more information available and the salesman had to take into account the different needs of each customer. The availability of information also made it more difficult for the salesman to sell, as the customer was ready to argue with the salesman and to present arguments against the product or service.

The core of selling has been the same for ages, although there have been many transformations around it. The environment has changed and the sales representatives face different challenges than before. The sales representative will very likely fail, if the core of selling – products and know-how – is not handled correctly. (Alanen ym. 2005, 22) This shows that the personal skills of the salesman are very important and they are a key influence on the success of the sale. Personal selling might have never been as important as it is currently.

It can also be said that actually buying has changed more than selling, due to the availability of information. Especially B2B sales has been changing for several years and the marketing and sales departments have had to face largescale changes because of the fast changes happening in the world. Buying used to be more difficult but now it has become easier for the buyers.

"We compared findings in this year's survey with those of 2011 and found some significant movements. The 2012 Report showed a distinct increase on the previous year in terms of the sheer amount of content sought by buyers in the course of the buying process." (Base One 2012) In conclusion, not only the availability and amount of information has grown, but the buyers have also started to search for more information. Social media is a channel of information also for the buyers, and as the younger generation is more involved in buying, the information searched from social media has grown as well.

## **4 BASICS OF SALES PSYCHOLOGY**

"Because psychology affects so many aspects of our lives, even people who do not intend to specialize in it need to know something about this dynamic field. An introductory course in psychology should give you a better understanding of why people think and act as they do." (Atkinson etc. 1999, 3)

Psychology was found in ancient Greece by Socrates, Plato and Aristotle. They focused in fundamental questions about mental life: "What is consciousness? Are people inherently rational or irrational?" Nowadays psychology is used in many fields of life especially in business. Marketers and sales professionals use psychology for their advantage to create more income by affecting consumers or clients' minds using various psychological practices.

"A motivation is a condition that energizes behavior and gives it direction." This is motivation defined by psychology (Atkinson etc. 1999, 348). Most of us see and use motivational factors to direct actions towards a desired goal whether it is an object or something intangible. When we are hungry, it is hard to not want any food or when we are thirsty not to want any water. These are conscious choices that appear to be the consequence rather than the cause. Maslow's hierarchy of needs starts from the basics of needs by human being such as water, food and shelter. The basic needs of a human being are the first needs that will be filled.

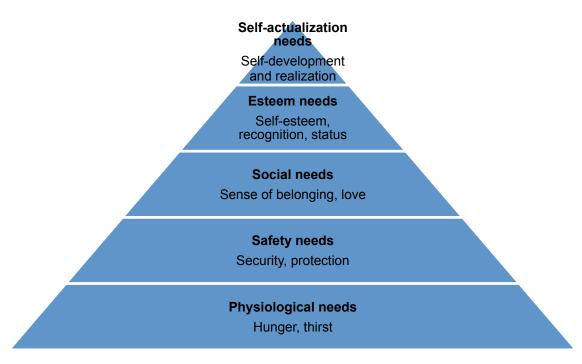


Figure 6. Maslow's Hierarchy of Needs. (Kotler 2009, 173)

According to Maslow's hierarchy of needs the basic needs for surviving will be filled first. This is where selling and marketing are introduced. Their purpose is to promote, create needs and to make themselves the number one in tangible goods to get into one's Maslow's hierarchy of needs. This is also true in business-to-business world. Businesses rely on sales and income to keep operating their business further.

#### 4.1 Psychology in selling

Most people think they can decide whether a commercial could affect their mental state or not. Some will be affected by the commercial so strongly that they desire to obtain the thing in the commercial no matter what. This is the work of marketers but sometimes marketing efforts are not enough to get new customers and this is where sales people have their important role. The mission of sales people is to find a need or even possible create one and by selling and getting income sales people will get their reward. This is called motivation to do their work, usually based on capital goods/money. The more they sell, the more

income they will have and thus the more possibilities to buy or do they will have on their free time.

"The first information we receive has a greater impact on our overall impressions than later information" (Atkinson etc. 1999, 610) One of the most important things in business is first impression. The perception of another person is a key element in business-to-business. First impression is called primacy effect in psychological terms. It is proven through various of psychological tests that the first impression either in meeting a new person or after reading facts of a person or just being told what and how the person is will possibly change our own first impression of a new person. The first information is crucial in both B2B and B2C environments. However there is a difference of value between these business environments.

The importance of first impression in B2C has a much smaller impact to future meetings. As the numbers of customers are great, individuals may not stand out from the crowd.

The first impression in B2B is much bigger than in B2C. The persons involved in B2B are fewer but they all stand to certain rules and behavioral models. However, there are a few exceptions. Thus the first impression has a much greater impact on individuals and it can be remembered better. As the circle may be small as everyone knows everyone and thus one might have to face an unpleasant situation in the future. The first impression can give possibilities to persons whom have a great first impression; one might be even offered a job.

Many copywriting and marketing gurus teach simplistic ideas about psychology. They insist that people can be fully understood and manipulated with a checklist of motivators or pyramid of needs. People make decisions emotionally. They decide based on a feeling, need, or emotion, not through a logical thought process. That's why intangible benefits are the keys to persuasion. You can't force people to do anything. When people buy, it's not because you wield some magical power over them. You can urge. You can push. You can entice. But ulti-

mately, people do what they want to do. This means your job is to show how what you're offering meets your prospect's needs. (CopyBlogger, Dean Rieck)

### 4.2 Psychological basis for marketing

"It is relevant to understand human behavior on the markets in the midst of other humans." (Rope & Pyykkö 2003, 19) It is important to understand that a human being is a gregarious being even thought they act as individuals; what is bought in the markets has an effect on individual buying behavior. This leads to an interesting structure where fashion consists of individuals whom at the same time create a mass phenomenon.

Another relevant issue is to analyze supply and demand; does supply affect demand or does demand affect supply. One of marketing tasks is to use markets for marketing's advance while creating and directing demand towards the marketers' products or services. It is one of the key and vital tasks of marketing to get consumers to want the product or service the marketer is selling. This is called direct impacting to buying behavior from a psychological point of view. Thus it is vital knowledge for the marketer to understand buying behavior to be able to have a proper effect through marketing to reach potential consumers to make a purchase. Understanding buyer behavior is an essential part of professional competence for marketers and salespersons. According to Rope and Pyykkö (2003), the buyer's decision mechanism is emotion-based. Behind the buyer behavior theory is the thought that a human is always an individual when buying being independent on the factor either buying for an organizations or as a consumer. Only after understanding this thought marketers task is to make an impact to consumers to make them act the way that is wanted.

#### The Why-What-How model

This model, introduced by Rope and Pyykkö (2003) acts as a base for every marketing effort on a conscious basis. The Why-level explains what is wanted through marketing actions. The What-level explains what actions are workable in order to reach the required goals and thus the psychological knowledge is

essential. Psychology is being used in the How-level as it reflects how marketing is presented which has a crucial effect to how the What-level works. If the marketing message is presented wrongly to a selected target segment it might even turn against itself, thus the How-level decides eventually if the marketing is working or not. If the marketer does not understand the buying behavior of the selected target segment and how to make an effect, it might even cumulate the effect of marketing. It is vital to understand individual differences and psychological mechanisms in marketing and in communications.

In practice this means that the marketer will have to be able to leave own values aside and to understand others values and beliefs to create marketing efforts that will have an effect on the selected group. It is a big mistake to start marketing through one's owns values and beliefs, as it will usually meet the wanted groups' values and beliefs. Thus marketers need to understand everyone and everything to be able to create effective marketing that works despite the target group. It is easy to understand this but in it is hard to put in motion in practice. One's own values and beliefs make it hard to understand others, as own judgment of life has always been the point of view. Thus a marketer may leave something really important facts unconsciously, or just by not understanding them, unnoticed that might be in great importance to others but not for the marketer itself. The closer the values and beliefs are to marketers'; the more the marketer will understand it. A person in Finland does not necessarily understand the values and beliefs that are in motion in Canada and thus it is easier for a native Canadian to create marketing that works in Canada. This fact can be reflected to teenagers, people working in a marketing office and to elderly. A people working in a marketing office may find it hard to understand teenagers which may turn out be a challenging mission to reach teenagers through marketing. Thus is really important to understand others and their ways of life. This is the reason why the How-level is extremely challenging in both psychological and in practical point-of-views.

## 4.3 Psychology of marketing and selling

It is significant to understand human behavior through psychology. To understand human behavior better and more deeply, it is relevant to understand the factors affecting these differences. These factors are:

- Personal characteristics
  - Valued things
- Personal backgrounds
  - Personal values, beliefs and attitudes
- Reference group background information
  - Have an effect on individual behavior
- Personal state
  - State of life, economic and eagerness
- Environmental and market effects
  - Societal base values, fashion and sophistication in various industries

"Psychology of marketing is a sub-branch of psychology where mechanisms that either directly or indirectly affect human behavior in markets are examined and studied and that can are exploitable for the use of marketing." (Rope & Pyykkö, 2003, s. 30)

Psychology of marketing is a sub-branch of psychology that examines human behavior in markets through psychological mechanisms and factors. Psychology of marketing's object is to research humans' own behavior affected by the factors in markets but as well to research popular mechanisms that reflect to this behavior.

Even thought the writers are writing about sociology and social psychology point of views as humans belong to a group or a community, the main of view in this work is clearly in individual psychology.

The literature that is related to psychology of marketing speak about consumer behavior that combines psychology, sociology and economy that explains together the factors affecting individual buying behavior in the markets. Another point of view that is related to the topic is psychological marketing that seeks to deal with the way of thinking and functioning of marketing. In this point of view,

the psychological factors are aspired to be understood and to use for advance in various marketing solutions. These topics are essential from the psychological marketing point of view:

- Recognizing the factors affecting individual buying behavior models
- How the solutions made in marketing are related to individuals' psychological buying behavior
- The affect of segmental structure on individual behavior in dealing with marketing solutions
- The effort and the ability consciously to be able through target groups' psychological mechanisms to affect on the segments' buying decision according to the wishes of the marketer.

# **5 CUSTOMER EXPERIENCE**

"Customer experience consists of the customer's perception about the interaction between the customer and the organization. This perception is born in the conscious and also the subconscious mind of the customer. More accurately, key parts of the customer experience are the organization's performance and the stimulated senses and emotions of the customer. The customer reflects and measures his expectations against these aspects and customer experience is the outcome of this process. Customer experience is also very irrational and the seller should understand that more than half of the experience is about the feelings of the customer and about the subconscious mind." (Beyond Philosophy 2013)

What companies often confuse with each other is customer experience and customer service. Although customer service is a very important part of creating a great customer experience, it is not all. The functions that most often are in contact with the customer are sales and customer service, but all the other functions such as marketing, finance and IT make it possible for the first two to deliver great customer experiences. Everyone in the company must remember that they are in one way or another responsible for delivering a great customer experience. (Löytänä & Kortesuo 2011, 14)

Companies and especially their managers have started to understand, that the customer experience must be managed as a whole because the basic way of operating and offering products does not satisfy the customers anymore. The old-fashioned way of creating experiences by being creative and entertaining is not enough, but companies must understand the customer's journey. It all begins from self-study, as the company must know what they are sending out before they can start matching their operations with the customer expectations. It is also vital to understand what the customers' expect from the experience and also how they value and assess the experience when it's over. To meet these expectations and to manage and deliver a magnificent customer experience the

company must know how they are communicating with the customers and what the customers think about the company. (MITSloan, 2002)

In Finland the concept of customer experience is fairly new. Understanding the importance of good customer experience is a challenge for the sales representatives and anyone working in the field of selling. The company can operate better if their customers are satisfied and they are delivered great customer experience. Companies too often think that they are customer-oriented, when they are actually not. They should change their way of thinking from the fact that the customers exist because of the company to an opposite situation. Actions of the companies do not always match the statement that they are customer-oriented. (Löytänä & Kortesuo 2011, 155) Salespeople have to concentrate even more on delivering good customer service and this way they can create a magnificent experience for the customer.

### 5.1 The meaning of customer experience

The customer always has an experience when interacting with the selling company. Buying products, ordering services and dealing with the customer service generate an experience for the customer, no matter if it's good bad or neutral. Companies have to keep this in mind when designing their operations and they should also control the experience that the customers go through. Small modifications do not really matter for the customer and the company is very likely to fail if they don't focus on the experience comprehensively and throughout. (MITSloan 2002)

Although companies often admit that customers are the most important people of all for them, it is not always clear for the companies how much effort has to be put into giving a good customer experience. Providing a good customer experience helps the customers coming back and it also strengthens the image and the brand of the company. Almost half of the customer experience is subconscious for the customer and by controlling the customer experience the

company can actually control what kind of an image about the company is given out to the customers. (Beyond Philosophy 2013)

Several companies who are customer-oriented only talk about customer satisfaction or customer relationship management. Although the companies think that the customer is important and that they have a customer-oriented approach, the truth might be something else. Traditional marketing is often still sales-oriented as customers are seen only as rational buyers and not as emotional and often irrational decision-makers. Also customer satisfaction is not actually involving the customer, as it only focuses on the outcome, not the process itself.

Even customer relationship management, although it sounds like it's taking care of the customer, could be executed better as CRM actually focuses on the transactions between the company and the customer. CRM systems gather information that is important for the company but they don't create a good bond with the customer. Often customer relationship management forgets the emotional side of the customer. (Schmitt 2010, 9-16)

The customer experience has become more and more important and delivering a good experience with normal customer satisfaction and CRM systems is very difficult, if not impossible. Customers are not taken seriously, as companies gather a lot of information about different functions and try to keep the customers satisfied. Regular satisfaction is not enough anymore and customers have begun to demand experiences and something that delights them in a new way.

What is also challenging when creating a customer experience is that different customers require different experiences. Each and everyone has different roles in different situations, for example we are business customers in when we are making buying decisions at work, consumer customers when we are buying groceries from the market and internal customers when we are asking for help inside the workplace. Each of these different roles has their special features regarding customer experience and they must be handled in different ways. (Löytänä & Kortesuo 2011, 121-122)

Companies sometimes have also problems regarding the quality of customer experience. It is difficult to maintain an excellent quality due to different customers and especially new customers differ from existing customer in various ways. (DiJulius 2008, 190) Often companies put more effort on gaining new customers and due to this their experience might sometimes be better than for the current customers who have been loyal to the company for ages. Obtaining new customers is also more expensive than retaining these current, loyal customers and customer experience management is the easiest way of keeping all the customers satisfied and loyal.

### Different aspects of customer experience

There are four different stages and aspects that the customer experience can be divided to. Firstly, it supports the customer's self image when the seller makes the customer feel confident and secure. This happens when after the buying decision the customer can feel good about it and also others around the customer identify that the decision was well executed. If the company fails to do this and for example somehow insults the customer, it is very unlikely to see the customer again.

Secondly a good customer experience surprises and creates feelings of thrill. Ordinary things cannot deliver great feelings of joy or delight, but a good customer experience creates a positive feeling of amazement. Companies must be careful though, as it can turn against the company if they make the experience too surprising and thrilling. The company shouldn't decide everything on behalf of the customer but they should recommend different options to choose from. This way the customer feels appreciated.

Ordinary and normal things tend to be forgotten very easily and this is why a good experience should also be memorable. Especially the positive memories are a good way to analyze the experience as customers are more likely to have positive images of the company which delivered them a positive experience. Developing the experience can make it memorable, and if a company can cre-

ate a positive experience which the customer remembers either actively or even better, passively, the company has succeeded.

The last stage of customer experience is that it makes the customer want more. Interesting things that make the customer feel good are attractive and this is where the companies should concentrate. Creating an experience, which pleasures the customers, keeps them wanting more. The customer must feel delighted about the product or the service and a good customer experience actually makes the customers contact the company instead of forcing the company to seek more customers.

These aspects are valid in both, the B2B and the B2C market as buyers in both markets are humans in the end and they must be handled in the same way. (Löytänä & Kortesuo 2011, 43-49) In the end, the customer is always another human being and their mind usually works in the same way, although their wants and needs might be different. Although humans are all unique and they all experience things differently, the customer experience includes the same aspects for everyone.

A key part of delivering a great customer experience is customer service. The level of provided customer service is something that the companies don't always realize. The opinion amongst the customers and the opinion in the company can vary tremendously and often also the standards of good customer service are different. Companies set their standards lower than the customers would want to and this generates a big problem, as the companies allocate less resources to customer service as they should. Often customer service is also the first in line, when companies have to cut from something. This is usually done without understanding the importance of good customer service and its impact on sales. (DiJulius 2008, 6-7)

Often the largest reason to losing a customer to a competitor is poor customer service. This is why companies should invest more on training the salespeople to constantly deliver great customer service in order to ensure that the customers are satisfied and that they stay as the company's customers. In the current

situation companies tend to forget this, as they focus more on gaining new customers. Current customers are forgotten although it would be very important to keep these customers satisfied. (Aarnikoivu 2005, 22)

Sales and customer service are very much alike, but in most companies they are still separated into two different departments. Both aim for the same goal, which is to find a solution to the need of the customer and to create meaningful experiences to the customer. Salespeople have to understand the importance of face-to-face service as a key part of customer experience. (Löytänä & Kortesuo 2011, 87)

It is easy to notice that customer experience consists of many different things and that everyone has a different, yet somehow similar experience. Even small things matter for the customer and companies should also notice that there are different kinds of customers. They should all be noted and the experience should be designed to please each and everyone. People working with customers, especially salespeople must acknowledge the versatility of the customer experience, as they are the ones who can guide the outcome of the experience significantly. Usually they receive some kind of feedback, either by actively asking or by listening to the customer, which will help the company to improve their customer experience even more.

#### 5.2 Customer experience management (CEM)

There is no use in trying to create a magnificent customer experience, if there is not a clear strategy on how to execute it. Many companies do tell that they are doing everything they can for the customers, when the truth is usually something else. For example, some companies don't even have a set of rules on how to reply to customer feedback. Managing the customer experience should be an important part of the company's strategy and it should be comprehensive enough to cover all the sections of the company. (Löytänä & Kortesuo 2011, 14, 155)

Managing the customer experience has to start from the basics and companies have to identify what they are sending out and how. Management has to understand that the mind of the customer is complex and that there are rational and emotional aspects involved in the customer experience. Combining these two will give the company an advantage, as customers that have an emotional bond with a company whose products or services are excellent will most likely stay as a customer and possibly he will recommend the company to others as well. (MITSloan 2002)

When there is the strategy and a clear plan on how to deliver great customer experiences, it must be also made clear to every employee and management has to pay attention that the strategy is carried out properly. It is very important to make the process quite simple, as when it comes more complicated, it becomes more difficult to implement. The standards that have been set for the process regarding customer experience have to be met and if they are not, the management has to take action. The employees are the people behind the customer experience, and if they don't know how important it is to execute it properly, it will most likely end up as a failure. (DiJulius 2008, 217)

The opinion about customer experience can differ between the employees and the management. Sometimes it can happen that these groups have not even considered customer experience to be important and this naturally is the worst case scenario for the company. In some old-fashioned companies the management might think that managing customer experience is worthless and that they don't gain any value from creating experiences. Some also think that they have customer experience as a part of their strategy but they don't actually recognize that they are not executing it correctly.

Managing customer experience may sound very difficult and it surely is complicated if companies don't concentrate on it in a continuous way. What companies suffer from is having too many thoughts and ideas about customer experience and therefore they lack the consistency of the experience as a whole. The employees don't know for sure what to do, as different things are taught depending on if the employee is new or has worked in the company for several

years. It doesn't matter how good the ideas of the managers are, if they are not implemented at all. Making all the employees to understand the ideas of the management and actually implementing them correctly is vital.

Managers must understand that although it's good to follow the new trends and stay up-to-date, it is not possible to come up with a new strategy every year. Managing the customer experience is hard work, and it takes a lot of time. Once a strategy is decided, the company should hold on to it and design their future operations around it. This way the employees of the company and also the customers are more satisfied and it is easier for them to understand how the customer experience works. Customers appreciate companies who keep their promises and deliver great customer experience continuously. (DiJulius 2008, 208)

Creating and delivering meaningful and enjoyable experiences for the customers is the main goal of customer experience management. This way the customers gain more value from the company and also the company receives larger profits. CEM is actually a process, where the customer's experience with a certain product or a company is strategically managed. CEM doesn't only focus on recording the interactions between the company and the consumer, but it also helps to build meaningful relationships as more information about the customers are gathered. (Schmitt 2010, 18) This way it differs from the traditional customer relationship management, where the focus is solely on following how the customer and the company interact. CRM programs do give much information about the customer, but it doesn't help the company to improve the experience that the customer has.

Customer experience management can be seen as a competitive advantage, as some companies keep doing things the way they have done for ages and they don't even think about customer experience or developing it. When someone does something differently and actually manages the customer experience by bringing something new and exciting to the customers, it is obvious that customers are interested and excited about this new way of working. Usually companies operating in the same industry have similar ways of working and they

also benchmark one another from time to time. A company can easily improve their business with great customer experience and by combining this with new, significant developments it is sure that the company can achieve a position as a pioneer in a certain industry. (Löytänä & Kortesuo 2011, 161-165)

### 5.3 Measuring customer experience

It is not enough that the customer experience is only managed, as it also has to be measured. When the employees understand their importance in creating customer experience and the company includes this in their strategy, it is important to follow up how well they are doing and how the customers are feeling. If there's no measurement, the company can never know if their strategy is being carried out in the best possible way.

Companies often think that their salespeople or other employees know if their customers are satisfied and if the customer experience is good enough. In some cases this is not true at all, because for example it is difficult for the salespeople to know what the customers really value and appreciate. Sometimes companies also believe that their customers will tell if there's something wrong of if they are not satisfied. According to a study conducted in 2006 this is definitely not the case, as only 6 percent of customers told the company about a problem or that they were unsatisfied. Remarkable was that 31 percent talked about the unhappy experience with family or friends.

The salespeople might have a biased opinion about the customers and their satisfaction. For some customers the reason for a bad experience might be sales representative and understandably this is not a fact that they will like to share with the management. Only few sales representatives will like to tell their bosses that they are the reason behind the poor customer experience and the customers' dissatisfaction. Gaining truthful feedback and response from the customers requires that the company establishes a close relationship with the customer and that they design their measurement on the basis of the customer's needs. With all these aspects combined it is wise for a company to use a

third party to measure the customer experience as employees don't tell the whole story and neither do the customers. (DiJulius 2008, 275-276)

There are many different ways to measure customer experience and the customer experience has many different aspects that can be measured. Some measure customer experience through analyzing customer feedback, some on the other hand concentrate on customer satisfaction surveys and some use mystery shoppers as a way of measuring customer experience. What is important for the company is to measure things that are relevant for them and that they help the company to improve their business and customer experience. (Löytänä & Kortesuo, 187) Still, the company should not guide the customer too much by asking closed questions or things that don't matter for the customer.

It is useless to gather information from the customers and measure the experience if the company is not going to take any action. Customer satisfaction may be very high and the customer experience might be great, but the company should not measure those just to have something to measure. There should always be a goal of development behind the measurement and the company should acquire valuable data and information from the customers. This is where the companies again have to understand that they should change their operations to be more customer-oriented.

Different types of feedback also require different kinds of responses, and each type has its' own positive and negative sides. When the customers give feedback and tell the salespeople about their problems spontaneously, the salespeople should reply them as quickly as possible. The company should support the customers to give feedback and let them know that what they say really has a meaning for the company. In the contemporary situation where the use of social media keeps on growing, the companies have to at least follow what the customers talk about and what kind of things they say about the company. It is possible to find various things to develop from conversations online but companies still tend to trust their customer satisfaction surveys. (Löytänä & Kortesuo 2011, 187-192)

## 6 SURVEY

As a part of this thesis the authors wanted to find out if the salespeople actually use sales psychology and how they see themselves as salespeople. The aim was to find out if the salespeople acknowledge the use of sales psychology and how it possibly differs between the B2B and the B2C market. We personally interviewed 11 persons working around B2B sales with a semi-structured survey. The respondents were working either in EasyFairs or Helsinki Sales Academy. The idea of researching the significance of sales psychology in B2B markets rose when the authors were discussing the differences between sales in B2B and B2C while working in Helsinki Sales Academy. This conversation was taken to the management of Helsinki Sales Academy where this research was found to be an important matter which can be used later to train future employees. Thus Helsinki Sales Academy was selected as a part of this research. EasyFairs works in the same space as Helsinki Sales Academy but in a different type of business. Permission was asked from the management of EasyFairs to research this matter inside the company in order to gain valuable information of B2B sales and psychological factors that are used in the field of B2B.

Salespeople working on B2C sales were from Elisa Shopit and they were sent an e-mail questionnaire, and altogether we received 13 replies. The group of B2C salespeople consisted of store managers and store salesmen. Elisa Oyj is a large company working in the B2C market and the authors wanted to find out the insights of consumer market sellers and reflect them with the insights of business market sellers. The other author had also been a store salesman at Elisa Shopit and this made it easy to contact the salespeople. There was also a personal relationship with the respondents which made it easier for them to answer as they personally knew the other author. Both authors had worked in the B2C market before and the authors had discussed about the differences between the business and the consumer market.

Interviewing is actually an interaction between two parties where both have an effect on each other. For an interview it is typical that it is pre-planned and that

the interviewer leads the situation and motivates the interviewee. An interview is the most common way of collecting qualitative material and the interviewer can easily find out the thoughts of the interviewee. In a semi-structured interview the questions are the same for everyone, but there are no answer options so the interviewees or respondents can reply with their own words. (Eskola & Suoranta, 86-87) The interviews executed were semi-structured and also the e-mail survey had the same questions for everyone but they could answer with their own words.

The respondents of this survey were of different age and of different education, and this naturally influenced the answers to be more versatile and it was possible to gather information from different kinds of people. People had also been working on sales for different times and some salespeople had even changed from B2B selling to B2C and vice versa.

It was also important to find out the different opinions of people working on different points of the sales cycle to get a comprehensive image of the selling process as a whole. Salespeople were also asked about their own insights about different markets and the challenges in selling nowadays. They were also given the option to tell about themselves as salespeople and how they personally think that they are communicating and interacting with the customers.

An important aspect was to find out if the salespeople themselves recognize the use of sales psychology in their actions. These questions were only targeted to the selling side of the business, and not the customers, although some of the questions did set the seller into the position of a buyer. Both groups of salespeople were also asked to give tips to selling, because we also wanted to find out how they see selling in general and if the tips differ between different markets.

### 6.1 Interviews to B2B salespeople

### 1. Work title, description of work

As a first step it was important to find out what the people working around sales actually do. 7 out of the 11 respondents were Sales Executives at EasyFairs and they were doing the real sales and their main task was to sell positions to fair displayers. Some of them only mentioned the selling of these positions but some also mentioned the selling of the fairs. It was interesting to see that only one Sales Executive mentioned the development of the event as a work duty.

2 respondents were Event Producers who were working in co-operation with the Sales Executives when organizing fairs. Their task was to lead the projects and keep track of the Sales Executives and they also handled most of the marketing and PR. One respondent was the CEO of Helsinki Sales Academy and the Country Manager of EasyFairs whose task was to lead the companies and manage the sales force as well. One marketing and recruiting consultant from Helsinki Sales Academy was also interviewed whose duties were to take care of the sales force in co-operation with the CEO and to recruit new salespeople to the company.

As people with different tasks and titles were interviewed it was expected that their answers were more versatile compared to the people with same duties. This reflected in the latter parts of the survey.

## 2. Work experience, background, education

People working around B2B sales had very various backgrounds and their education differed tremendously. The experience from working or selling in the B2B market differed from about a year to more than 20 years. Everyone had been working in very different positions and naturally it was the CEO of the companies who had been working around selling in different positions and organizations. The cause of their difference in experience can be explained with the fact that they all have a different background. In their current position everyone except the CEO had worked from 4 months up to two and a half years.

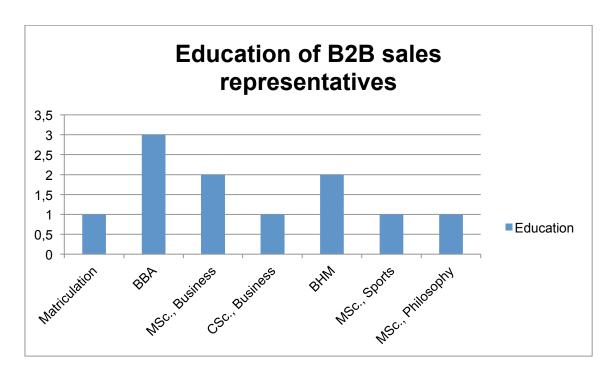


Chart 1. Education of B2B sales representatives.

All of the respondents except one had studied after the Finnish matriculation examination. There were people with a degree related to business, as three people had a Bachelor of Business Administration degree, two were Masters of Science in Business and one respondent was a Candidate of Sciences in Business. An interesting fact was that there were two Bachelors of Hospitality Management, one Master of Sport Sciences and one Master of Philosophy. These different educations brought more depth to the replies of the salespeople as they had different opinions and views about selling. Some of them had naturally studied business and selling when obviously some of them had studied selling "the hard way".

Each of the respondents had worked before in the B2B or B2C market in positions that were close to selling, such as customer service, marketing or pure selling. One person had also worked within finance. Most of the persons interviewed also stated that they had worked within B2C sales before taking part in B2B sales and both Event Producers had also done marketing before this current position. A few respondents had gained also international experience when working abroad or with international clients.

It seems that the background or the level of education did not have a significant impact on how much the sales representative knew about sales psychology or how much they concentrated on the customer experience. Naturally the experience on sales affected this knowledge.

## 3. Greatest challenges in selling

Although people with different tasks were interviewed, in general they faced the same challenges. Most of the replies brought up the problem of getting into contact with the right people and this is especially highlighted within acquiring new clients. Some might think that calling into a company and reaching the right person right away would be easy, but this hardly is the case. People often have meetings or they are otherwise busy and to make them interested enough to listen for a while is a tough task for a seller. A common opinion within the respondents was that in some companies the decision makers are very high in the hierarchy and sometimes the common atmosphere might cause decision making to be more difficult.



Chart 2. Greatest challenges in B2B selling.

As the chart above indicates, some replies brought up the problem of organizing their own work and use of time. This shows that not all the challenges are external, but the salespeople are also critical about themselves. Salespeople must be systematic and they must handle various things at the same time. Motivating oneself and working outside one's comfort zone was also a challenge to many. Salespeople need a lot of time to execute all their tasks and one major challenge is to make the sales cycle go through faster.

Affecting the buyer to make the decision faster is crucial for the seller, when sometimes there might be several persons involved and all of these take their own time to think. These answers relate to today's challenges in B2B selling but to theory as well. Lancaster and Jobber (2000) with Rope and Pyykkö (2003) have studied these challenges from different viewpoints. While Lancaster and Jobber have studied the mechanisms and practical challenges of selling, Rope and Pyykkö studied the psychological factors in selling. The chart 2 represents both of these challenges of today's challenges in B2B selling. Rope and Pyykkö discussed more about individual psychological aspects such as self-motivation, the importance of relationships and psychological uses to influence the customer. Lancaster and Jobber in the other hand discussed about reaching the right customer, how to and the importance of establishing a relationship.

A common opinion was also that the contemporary financial situation makes it more difficult to sell, as companies cut from investments and put more effort into their core business. Sellers feel that the companies lack the capital to buy and they are also very insecure about the future. The theory of buying behavior changes all the time and the sales representatives have acknowledged this as well. Buyers have more power in the market than before

#### 4. What kind of a seller are you?

The respondents answered very differently when asked how they saw themselves as sellers. In general one opinion was that they concentrated more on the total outcome and building the relationship with the customer than on the regular selling. Some even thought that they give too much attention to the customer, which might harm the selling, but on the other hand it helps to create even better relationships.

A majority of the respondents saw themselves as consistent sellers who don't get disappointed if the buyer does not buy right away. They believed in the thought that when you give out something good, you will receive something good later. Most replies stated that setting goals keeps them motivated and they keep striving for better results. In their own opinion most of them saw themselves as solution sellers and that they seek to understand the buyer's business as a whole.

When it comes to the personality of the seller the respondents thought that they are always themselves and never act like someone else. The majority believed that selling with your own personality is the best solution but few thought that they are actually too nice and friendly. They stated that sometimes they mix feelings too much with the sales process and it makes selling more difficult. These comments verify the fact that every salesperson is an individual with a unique way of selling, while they follow the guidelines of a selling process. Thus they are talented salespersons, but they lack deep psychological knowledge of themselves.

Everyone has an understanding and thoughts of psychological self but lack deeper knowledge of their selling personality. This would help them realize various psychological sides of selling while understanding customers and clients better. The knowledge of psychological aspects of selling including the knowledge of oneself would help to understand the selling situation and the subconscious actions e.g. body language more accurately. It would also help the salespersons to identify their strengths and weaknesses and thus to became a better salesperson be developing oneself.

#### 5. The use of sales psychology

An interesting finding was that actually none of the respondents had really studied sales psychology although some of them had read about it. Nearly all of

them had however studied basic psychology so they knew what psychology is about and how it can affect the human mind.

Most of them did state that they use some sort of psychological tricks while they are selling. All of the respondents answered that they try to be in the same frequency with the customer and that they always adjust their actions depending on the customer. A few replies brought up the problem of this, as it is difficult to clarify to the customer that the seller is trying to help the situation and that the seller really wants to be in the same level with the buyer.

The use of psychological communication was something that nearly every respondent recognized about himself or herself. A few answers stated that first the seller must understand the buyer before this kind of communication can be used, because then the message can be adjusted to meet the buyer's needs. Most respondents said that they are good at reading people and this naturally helps in understanding the buyer. A majority of the respondents answered that they use communication as a tool, for example they create the feeling of rush to the customer and they also try to make the customer to see oneself as a user of the product or the service.

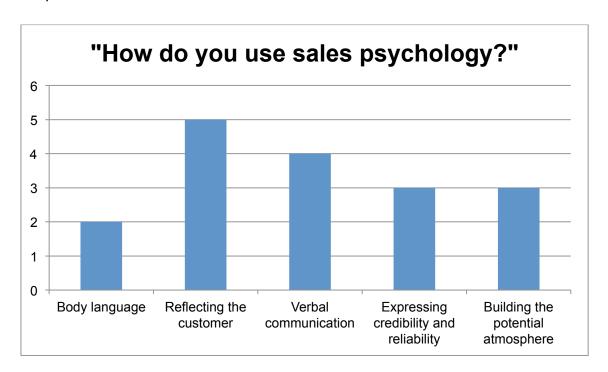


Chart 3. How do sales representatives use sales psychology?

Only few brought up the use of body language as a psychological tool, which can be explained with the fact that their work was mostly done by the phone. More important for them was to make a good first impression and get the buyer interested right away, which was actually brought up by most of the replies.

It was probably expected that salespeople had not studied sales psychology, as it is still in a minor role in Finland. This is something that companies should look into as although the sellers might think that they know everything about sales psychology, there is still much more to be learned. Some of the respondents acknowledged that they had not yet studied sales psychology enough but they were eager to find out more.

### 6. How does the buyer affect the salesperson?

Salespeople face different customers and buyers every day and they were asked how different customers affect them and their way of selling. All of the respondents acknowledged that especially the mentality of the customer affects them very much, when in their own opinion it is something that they should not worry about. If the customer is sad or in a bad mood, nearly all the sellers stated that affects them as well. Most respondents also said that they adapt to the situation and try to be very similar with the buyer. They act as a mirror to the buyer and when the customer gets excited, the sellers get excited as well.

Majority of the respondents also said that it is very difficult for them to make the buyer interested or excited if they are rude or unfriendly. Each customer on the other hand is unique and the sellers said that it is very difficult for example to prepare properly for a meeting. Different things make different people interested, and most of the replies brought up that showing interest towards the buyer makes them interested as well. Making the groundwork before being in contact with the buyer was very important for most sellers.

Only a few answers included the problem of self-control when in contact with the buyer. Some had noted that they should stay calm and more relaxed in different situations with the buyer. One seller mentioned the importance of not giving up although the buyer might say no but in this situation the seller must remember not to be too aggressive. Some others brought up the problem of aggressiveness, as the buyers have to be influenced and convinced that they actually could benefit from buying.

In general the sellers stated that if the customer feels insecure, if the atmosphere is stressful or if there is much tension between the two parties the situation is very difficult for the seller. On the other hand, the respondents answered that surviving through these situations is very rewarding and they learn more from these tricky situations. This also shows that they concentrate on the customer and the experience that they are going through by taking care of the customer. The sales representatives work in co-operation with others and with the event producers and together they design and deliver a good customer experience.

## 7. Experiences from being a buyer

Sellers were asked if their experiences from buying had influenced their way of selling and how they act in the buying situation themselves. A majority had not been on the buying side in the B2B market, but they had naturally gained experience from buying in the consumer market.

For most respondents selling had been very beneficial when the sellers had been placed in a buying situation. They were conscious of the possible tricks or techniques that the other sellers were using to influence them and at the same time they had gained more tips for their own selling. Only a few acknowledged that they actually think psychological factors in the buying situation but they hardly have an effect on. Others thought that they usually know what they want and therefore it is difficult to influence them in psychological ways.

In general the respondents had noticed that they are more critical in the buying situation and that they think more about the situation as a whole. A majority had also noticed both good and bad habits about selling that they had taken into account in their own way of selling. Sometimes the respondents had even declined from buying because of the other sales representative. This way the respondents had noticed that the seller has a significant impact on the experience

that the customer receives. All the various aspects of the customer experience might have not been clear to the respondents, but still they seemed to have an idea of it.

### 8. Experience in the B2C market

All of the respondents had worked in selling positions in the B2C market as well, although the periods differed from just one month to several years. For the one who had worked in the customer market for only one month it was not so beneficial regarding selling in the business market, but on the other hand there were no disadvantages either. In general the others felt that selling in the customer market had helped them in some ways when selling in the business market.

One major benefit from selling in the customer market was that the majority of the respondents had gained more confidence when interacting with the customer. It had become more convenient for the sellers to be in contact with the buyers and they also felt that asking questions from the customers had become easier. Finding out the needs of the customer had become simpler and the sellers felt that they had experienced that knowing about one's products and services is the key to success in both, business and consumer market.

The respondents however felt that although selling in the consumer market had helped them, the business market works in a different way. Selling is not the same, because in the consumer market it sometimes is enough to recommend something because the sellers feel that the customers already have an intention of buying. In the business market the sellers feel that there has to be more work done in order to close the deal and buyers must be persuaded more.

#### 9. Differences in the markets – views of the salespersons

As the respondents had worked in various selling positions in different markets, they also had different opinions about the business and consumer markets. The replies had a general opinion that the core selling situations do not differ so much, but there are more aspects in the business market than in the consumer market. Especially the relationship with the customer was stressed more in the

business market and the respondents' thought that the relationship lasted longer with business customers.

A majority of the replies also had the opinion that the seller has more impact on the buyer in the business market. The contact with the buyer is more personal in their opinion as the same sales person works with the buyer for a long time, but controversial to this was that some sellers also mentioned that as the time frame is smaller in the consumer market, the relationship is also deeper. On the other hand the seller can have a very significant meaning to the buyer, and the whole relationship might end if for some reason the seller changes to another company or resigns from the current company.

Most respondents mentioned that trust between the seller and the buyer is more important in the business market and because the seller must convince a large group of people behind the buying decision, it also takes more time from the sellers to establish this trustful relationship. The process in their opinion is much larger than in the consumer market because they have to sell their idea to the whole company.

#### 6.2 E-mail survey to B2C salespeople

As it was more difficult to reach the salespeople working in the consumer market, they were sent an e-mail survey, which they were able to answer when they had the time. This resulted in more narrow answers and it was challenging to find out the real opinions of the respondents.

#### 1. Title and description of work

All in all 13 salespersons replied the survey and 9 of these were store salesmen, whose main tasks were customer service and selling the service provider's solutions to the consumers. These solutions included both, services and products and the salespeople also had to provide the consumers some usage advice and handling customer feedback, either negative or positive, was also

one of their duties. Most of these salesmen were full-time and only a few were part-time.

4 remaining respondents were store managers, whose duties were to manage the salespeople and lead selling in general. They were responsible for the result of the store and that store actions were in line with the company's strategy. Store managers worked as sellers also, but in a smaller role than the regular salespeople. Their task was to act more as supervisors.

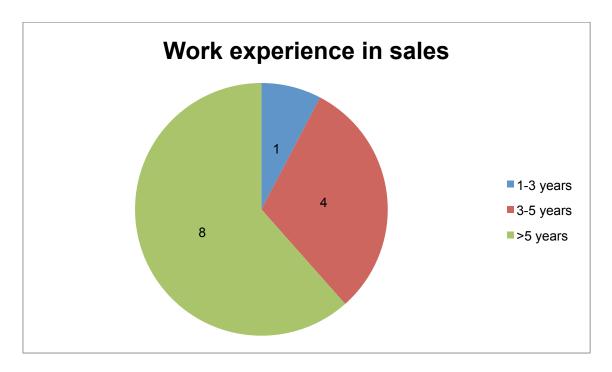


Chart 4. Work experience in sales.

A majority, 8 out of 13 respondents had gained experience from selling for over 5 years. Some of them had been in the same position in this current company and some had changed from one place to another. 4 respondents had worked in a selling position from 3 to 5 years and only one had experience from one to three years in selling. More than half of the respondents were over 30 years old and only 3 were between 21 and 24 years.

#### 2. Greatest challenges in selling

As the respondents were surveyed by e-mail, their answers were in general much shorter than with the business market sellers. They were asked to state

the three biggest challenges for themselves in selling and to put these in order. It was interesting to notice that challenges were found in very different areas. Salespeople stated challenges with the customers, the salespeople themselves and also the operations of the company.

In general the salespeople stated that it was difficult for them to keep the customer satisfied and to make them as long-term customers who would keep coming back. Finding out the needs of the customer and asking them the right questions was a challenge for some and one respondent even stated that customers in general was the greatest challenge. Reading the customer was a challenge in the consumer market as well as in the business market.

Most replies brought up the challenge of knowing your own products and services throughout and they stated that it is nearly impossible to sell anything if there is no knowledge about your own offering. Some even found problems with the products and services and thought that. It was also difficult for the salespeople to find the need for a certain product or a service and make the customer believe that the seller is right. Probably the most interesting challenge was the setting of goals, but this might be explained with the fact that the goals were set too high and it was challenging to reach them.

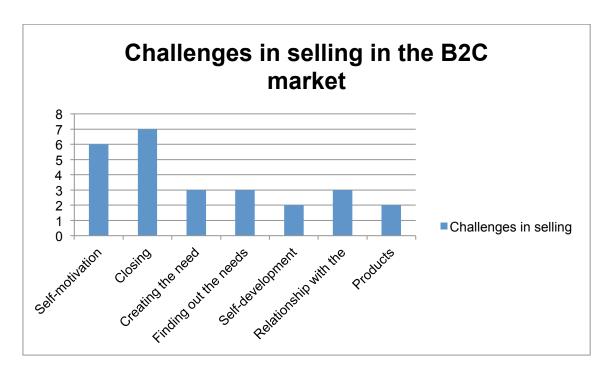


Chart 5. Challenges in selling in the B2C market.

Another similarity to the business market was that the sellers found it very difficult to affect the customer especially if they were in a bad mood already. This could happen if the customer had only complained and there has not even been an intention of buying in the first place. The respondents in the consumer market were self-critical as well and they found it difficult to be motivated, to stay focused and excited all the time. One reason for this could have been the pay system in the company and some mentioned that previous successes didn't matter at all in the company.

It seems that closing the deal was more of a challenge in the consumer market than in the business market, as the majority of respondents listed closing the sales a major challenge. Removing the obstacles that the consumer faces towards the buying decision and finding out the reasons behind these obstacles was mentioned many times. Some acknowledged that it was more important to co-operate with the customer and find out why they did not want to buy than to close the deal in any way possible. Organizing their own time and prioritization were challenges to many and development of their own know-how was important to most of the respondents.

### 3. How do you see yourself as a seller?

Most respondents stated that they are customer-oriented salespeople and they focus on solving the possible problems that the customers have. They acknowledged that the solutions had to be sought from the customer's perspective and that it was important to make the customer have the feeling of success. The salespeople also felt that making the customers satisfied would keep them coming back.

Only a few of the sellers said that they were highly committed to the strategy of the company and that they sold products or services in a way that is in line with the company's vision. They also thought that they are determined salespeople and they try to do additional selling by making the customer buy something that was not intended. A few stated that they try to make things very simple and understandable for the customer although sometimes they go too deep into details. Gaining the customers trust was brought up by only a few respondents and this might show that a trustful relationship between the seller and the buyer is not that important in the consumer market as in the business market. Although the salespeople set the customer in the first place and try to make them feel that they are helped, a deep relationship between these two parties might not be established so often.

What was interesting to see that although closing the deal was seen as a challenge, a few respondents also told that they are good at closing and making the deal happen. They see themselves as brave and courageous when it comes to interacting with the customers. Some although felt that they are too passive in offering the right kind of products or services to the customer. The self-images between business market and consumer market sellers differed slightly, but there were also some similarities to be found.

#### 4. How to affect the customer?

The respondents had a general opinion that everything starts from getting to know the customer and understanding their needs. This is well in line with their self-opinion about customer-orientation and most replies also stated that it was very important to make the customer feel happy about the choice they were about to make. Most sellers also tried to adapt their way of selling and the products to meet the customer's requirements better.

A similarity to the business market was that the respondents felt showing interest towards the customer was helpful and getting into the same frequency with the customer was crucial in getting more sales. Making the solution more understandable for the customer was brought up by many of the respondents and one easy way for this was to tell about their own experiences and, for example, displaying the products that the customer is interested in. Listening to the customer, being present and getting to the same frequency with the customer were things that the sellers thought were helpful in affecting the customer.

Concentrating on the total customer experience didn't seem to be in the minds of the sales representatives in the consumer market, which may result from the fact that there are so many customers every day. On the other hand this is very critical, as consumers usually require a great experience with a company. If the experience is poor, it is very likely that the consumers will share their negative feelings and emotions with others and naturally this has a value-diminishing effect on the company.

It was also noticeable that the sellers themselves thought that selling in the consumer market is more recommendation work, because the buyers usually have an intention of buying when they come into the store. However, it is not enough to only recommend, but customers have to be persuaded into buying and the sellers generally thought that they can affect the customer by simply asking for a decision. A few also thought that closing with high intensity and high confidence has an influence on the customers and these sellers also believed that highlighting the ease of buying was effective. Making the buying decision less meaningful proved to be good in some cases as well.

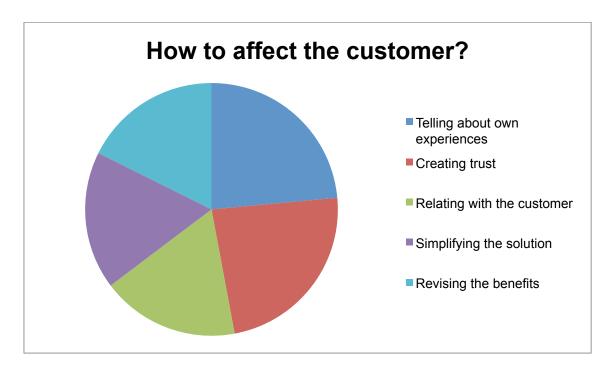


Chart 6. How to affect the customer in the B2C market?

The consumer market sellers didn't seem to focus on psychological aspects as much as the sellers in the business market or at least they didn't acknowledge that they were using psychological tricks. Still, quite similar effects were used in the consumer market as well, such as relating with the customer and trying to establish a relationship where both parties understand each other.

The mind of the customer had a meaningful effect on the salespeople and their way of selling and actions. All respondents stated that the presence of the customer has an effect on them but only few thought that it should not be influential. Different customers require different service and the respondents stated that they adapt their selling style depending on the customer. At the same time they thought that customers who are already in a bad mood are very difficult to inspire which was similar to the business market. Sellers working in the consumer market seemed to be more influenced by the customers, which can be explained with the higher volume of customers. They don't have to concentrate so deeply to each customer as there are many more to come.

## 5. What's the most valuable thing from the following?

The respondents were given five options and they were told to set these options in order from the most important to the least important. It was about what they personally value, and not about what they think the customers would value the most. 1 was the most valuable thing and 5 was the least valuable. The opinion about the most valuable thing differed very much and none of the options gained significantly more support than the others.

It was expected that different people valued different things. Consensus was found with the second most valuable thing and it was finding the correct solution for the customer. This shows that the sellers are actually customer-oriented in some way, although it might not seem like it. On the other hand it is very difficult for the sales representative to know what is actually the correct solution for the customer, as sales representatives usually concentrate very much on closing the deal and this makes them think that the buyer is satisfied with the result as well.

	1	2	3	4	5
Serving and	23 % (3)	15 % (2)	8 % (1)	54 % (7)	0 % (0)
pleasing the					
customer					
Finding the	15 % (2)	39 % (5)	15 % (2)	15 % (2)	15 % (2)
correct solu-					
tion for the					
customer					
Establishing	23 % (3)	8 % (1)	8 % (1)	23 % (3)	39 % (5)
the customer					
relationship					
Additional	8 % (1)	8 % (1)	62 % (8)	15 % (2)	8 % (1)
selling					
Accomplishing	15 % (2)	23 % (3)	15 % (2)	8 % (1)	39 % (5)
the selling					
goals					

Chart 7. What's the most valuable thing from the following?

Next was additional selling and 8 out of 13 respondents set this option as the third most valuable thing. This received the most consensus and although the salespeople had stated that they are very customer-oriented and try to understand the customer, this shows that salespeople are also worried about selling and not only about the customers. Pleasing the customer and making them satisfied however was the third most valuable thing for the sellers.

The last two options received equal support, as salespeople put the same value for establishing the customer relationship and accomplishing the selling goals that had been set. All in all the salespeople had very different opinions about the most valuable things for themselves.

Respondents were also asked about their own experiences as buyers and naturally all of them had acted as buyers in the consumer market. In general they

stated that it had been beneficial for them and only few thought that buying experiences had not helped them in selling at all. Mostly the respondents had learned from weak performances and noticed things that they would not do themselves. The respondents, as well as in the B2B market, had noticed that the total customer experience is very important to keep in mind and that the seller can affect it in various different ways.

#### 6.3 Conclusions

The results of the survey show that there are some similarities between the two different markets and between the sellers operating on those markets. Sellers face challenges that are very much alike and they have to take into account the customers, the company they work for and also themselves as human beings. In the end the core of selling is the interaction between two different persons and the same ways of influencing one another are valid in the business market as well as in the consumer market.

The business market sellers however seem to be more focused on creating a long-lasting, trustworthy relationship with the customer. This is probably due to the larger amounts of money involved in these sales and the sellers usually try to engage buyers who want to co-operate for a longer period of time. The sales representatives also had a different view about selling, as the people working on the business market had to sell more in their own opinion and the sellers working on the consumer market had to act more as referees and recommend different solutions to the buyers.

The use of sales psychology was not acknowledged to a great extent in either of the markets. The sales representatives did tell that they use different tricks and tactics, but sales psychology is more than that. Sometimes it can be seen to involve everything that the seller does and this is something that the sales representatives should understand. In this study it was noticeable that the sales representatives do not always understand that they are using psychological ways of influencing although they are doing it all the time.

It was also slightly controversial to notice that although the sales representatives say that they are very customer-oriented, it does not always reflect so well. Some of their replies were more concerned about selling in general than the customers and it was also notable that they did not think that selling had so many layers. Sales psychology and the meaning of customer experience are not clear to the regular sales representatives and companies should emphasize these concepts more to the sales people. After all, in the contemporary situation the companies must do anything they can do differentiate and with the right kind of sales psychology they can attract more customers and delivering a magnificent customer experience they can satisfy and maintain these acquired customers.

The results are very much in line with the theory presented and especially what comes to customer experience in Finland the theory part still holds true very strongly. Probably the company management thinks about customer experience, but it still is not deployed to the sales force. Also the sales representatives very well know the differences between the markets and also how the buying behavior differs depending on the market. The sales representatives also use some different tricks and tactics when it comes to affecting the buyer and this goes hand in hand with the theory, because the sales representatives acknowledge that the buyers act differently depending on the market.

Also the sales representatives in both markets depicted their customers and the market in the same way as it was depicted in the theory. Still, the sales representatives are all unique persons and they all have their own insights, but in general the opinion about the markets was very similar to the general, theoretical insight. The respondents' did not have a throughout opinion about customer experience, but the insights that they shared about it were much alike with the general opinion described in the theory part. A more broad view on customer experience should be obtained by the sales representatives and they should not just concentrate on selling but delivering a great customer experience, which makes it again easier to sell and achieve great results.

In overall, the concentration on the total customer experience and the use of sales psychology to accomplish this were not a major thought in the minds of the sales representatives. Also the concept of customer experience might be unfamiliar to them, as the management might simplify the concept of customer experience and thus the sellers only execute the actions to deliver great experiences. The respondents acknowledged the differences between the two markets and they had gained both good and poor experiences from operating in these markets. It seems that the sales representatives in both markets do know something about sales psychology, although they do not recognize it themselves. The survey related to this thesis concentrated on the thoughts of the sellers, but it would also be interesting to research the thoughts of the buyers in these two markets.

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## **APPENDIX 1**

#### SURVEY QUESTIONS

#### Interview questions:

- Work title and description of work?
- Work experience, background and education?
- Greatest challenges in selling?
- What kind of a seller are you?
- Do you use psychological tricks when selling and if you do, what kind?
- Does the spirit of the buyer have an effect on your way of selling? If yes, how?
- Have you worked in a buying position and has it been beneficial for selling?
- Do you have any work experience in the consumer market? Has it helped you?
- What kind of differences do you see between business and consumer markets?

#### E-mail survey:

- Title and description of work?
- Work experience in selling?
- What are the three greatest challenges in selling and why?
- What kind of a seller are you?
- What kind of ways do you use to influence the customer? Do you recognize any psychological tricks?
- Does the spirit of the buyer have an effect on your way of selling? If yes, how?
- Arrange the following 5 things from most valuable to least valuable
  - o Finding the correct solution for the customer
  - o Accomplishing your own selling goals
  - o Establishing a customer relationship
  - o Serving and pleasing the customer
  - Additional selling
- Has buying experience helped you as a seller? If yes, how?