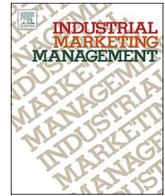




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The role of a solutions salesperson: Reducing uncertainty and fostering adaptiveness

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ABSTRACT

Suppliers in business-to-business markets increasingly are seeking growth by providing end-to-end solutions to customers. Customers, on their part, see solutions and accompanying performance-based vendor contracts as ways to assure themselves of performance outcomes they need. This article draws on extant literature in organizational buying behavior, industrial marketing and project marketing, as well as the distinctive nature of customer solutions, to delineate three overarching types of uncertainties among customers and suppliers: (1) need uncertainty, (2) process uncertainty and (3) outcome uncertainty. Each of these types of uncertainties is present across the four stages of a solution process (requirements definition, customization and integration, deployment, and post-deployment support). However, the nature of these uncertainties changes as a solution evolves from one stage to the next. Based on this, we delineate a solution salesperson's role as one of reducing specific uncertainties across the solution process by providing pertinent information to key stakeholders within the customer- and supplier organizations, and encouraging adaptive behavior of the parties involved. We discuss implications for practice, and suggest directions for further research.

1. Introduction

A growing number of companies seek to grow their revenues and profits by providing customers with end-to-end solutions rather than stand-alone goods or services. Many see solutions as a means to differentiation in business-to-business (B2B) markets facing rampant commoditization (Eggert, Hogreve, Ulaga, & Munkhoff, 2014; Kowalkowski, Gebauer, & Oliva, 2017; Kowalkowski & Ulaga, 2017; Ostrom, Parasuraman, Bowen, Patricio, & Voss, 2015; Worm, Bharadwaj, Ulaga, & Reinartz, 2017; Sawhney, Balasubramanian, & Krishnan, 2004; Ulaga & Reinartz, 2011). Unlike stand-alone goods and services, customer solutions require a supplier to have deeper customer insights and distinctive resources and competencies, which are more difficult for competitors to imitate (Ulaga & Reinartz, 2011). For this reason, many consider a supplier's ability to provide solutions as a source of sustainable competitive advantage in industrial markets (Shankar, Berry, & Dotzel, 2009).

Mirroring this trend among suppliers, business customers are also increasingly asking vendors to provide total solutions, rather than stand-alone goods or services. The interest in sourcing solutions illustrates the growing professionalization of the procurement function in

many customer organizations, and the fundamental shift from a focus on quality and price to an emphasis on *total cost of ownership* (TCO) and *sourcing value* through performance-based contracts with suppliers (Monczka, Handfield, Giunipero, & Patterson, 2016; Sheth, Sharma, & Iyer, 2009; Snelgrove & Stensson, 2017; Vitasek, 2017a, 2017b). In line with this evolution, customers increasingly are focusing on performance outcomes gained from procuring end-to-end solutions with customized and integrated goods and services (Eggert et al., 2014; Macdonald, Kleinaltenkamp, & Wilson, 2016).

As B2B customers shift towards buying solutions, new demands are being placed on suppliers' salespeople (Evans, McFarland, Dietz, & Jaramillo, 2012). A supplier's salesforce is critical for implementing the strategic move towards customer solutions. As boundary spanners, solution salespeople take on a pivotal role at the organizational frontline between solution suppliers and their customers (Johnson, Barksdale, & Boles, 2001; Rapp et al. 2017; Singh, Brady, Arnold, & Brown, 2017). Extant research suggests that a solution sales process is substantially different from the traditional goods-centric sales process in business markets (Tuli, Kohli, & Bharadwaj, 2007; Ulaga & Loveland, 2014). There is evidence that many salespeople are unable or unwilling to meet these new demands (Ulaga & Reinartz, 2011). Indeed, the role

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that a salesperson should play in the enactment of customer solutions itself is not particularly well defined (Blocker, Cannon, Panagopoulas, & Sager, 2012; De Jong, Verbeke, & Nussen, 2014; Williams & Plouffe, 2007). This may well account for some of the failures of suppliers to generate profits from customer solutions documented in the literature (Worm et al., 2017).

Despite general agreement about the strategic imperative of achieving growth through customer solutions in business markets, extant research provides little insight into specific competencies salespeople must master for excelling in providing solutions. Sales researchers have called for further research on salespeople's roles, responsibilities and skills required when transitioning from product-centric to solution-centric sales (Blocker et al., 2012; De Jong et al., 2014; Evans et al., 2012; Plouffe, Williams, & Wachner, 2008; Williams & Plouffe, 2007).

Against this backdrop, we make two primary contributions in this article. First, drawing on extant literature in organizational buying behavior, industrial marketing and project marketing, as well as the distinctive nature of customer solutions in business-to-business markets, we delineate three overarching uncertainties among customers and suppliers: need uncertainty, process uncertainty and outcome uncertainty. These uncertainties are present across all four stages of a solution process discussed by Tuli et al. (2007)—requirements definition, customization and integration, deployment, and post-deployment support. In addition, we discuss how the nature of these uncertainties changes as a solution evolves from one stage to the next.

Second, based on our analysis of the various uncertainties among customers and suppliers, we delineate a solution salesperson's role as one of reducing these uncertainties across the solution process by providing pertinent information to key employees of customers as well as suppliers, and encouraging adaptive behavior on part of the parties involved. We develop implications for practice, and discuss avenues for further research.

The remainder of this paper is structured as follows. In Section 2 we describe the changing landscape of organizational buying, the growing interest in customer solutions and the heightened demands placed on solution salespeople. In Section 3, we identify three overarching uncertainties faced by suppliers and customers, and discuss the nature of each across the four stages of the solution process. This analysis results in the delineation of the role and responsibilities of a solution salesperson. In Section 4, we conclude with a discussion of our contributions, implications for practice, and future research directions.

2. The changing landscape of organizational buying

There is widespread agreement among both academics and practitioners that the sales function is undergoing a major transformation (Adamson, Dixon, & Toman, 2012; Dixon & Tanner, 2012; Jones, Chonko, Jones, & Stevens, 2012). Across the board, business customers' sourcing strategies and buying behavior have evolved substantially. This has led suppliers to transform their sales organizations and re-define how they interact with customers (Jones, Brown, Zoltners, & Weitz, 2005; Lassk, Ingram, Kraus, & Di Mascio, 2012; Piercy, Cravens, & Lane, 2010; Terho, Eggert, Haas, & Ulaga, 2015; Thull, 2010).

A number of major trends have changed the way *how* customers buy products and services in today's business markets and *what* they ultimately expect from suppliers and their sales organizations. First, the shift to a more strategic role of purchasing and supply chain management in many firms has led to a growing sophistication of purchasing organizations and an increased professionalization of procurement professionals (Monczka et al., 2016; Sheth & Sharma, 2008; Trkman, Mertens, Viaene, & Gemmel, 2015). New approaches to strategic sourcing and the adoption of concepts such as Total Cost of Ownership (TCO) have shaped customers' expectations from suppliers (Monczka et al., 2016; Vitasek, 2017a). This trend has been further fueled by buyers' growing power emanating from information ubiquity and

increasing market place transparency (Rapp, Bachrach, Panagopoulos, & Ogilvie, 2014).

A second major shift relates to *what* business customers actually want to buy. With a growing emphasis on sourcing value, business customers have learned to become more demanding in terms of outcomes or end-results they expect from industrial vendors (Snelgrove & Stensson, 2017; Vitasek, 2017a). Customers in many markets today seek end-results and often ask for performance commitments and guarantees from their vendors (Vitasek, 2017b). Interestingly, this evolution has been shaped in part by suppliers' ongoing efforts to educate customers as to what they should expect from suppliers (Reinartz & Ulaga, 2008).

For example, Xerox taught business customers many years ago to "pay-per-click" for photocopies, instead of buying photocopy machines (Kowalkowski & Ulaga, 2017). Over time, this pricing model became an industry standard and competitors had to follow suit. Likewise, in healthcare, hospitals learned to lease medical scanners, instead of buying them, a model largely promoted by GE in the early days. Later, hospital procurement professionals learned to focus on asset efficiency improvements and patient flow optimization, driven in part by the guidance of GE, Siemens, and Toshiba (Reinartz & Ulaga, 2008). Similarly, airlines around the globe increasingly pay for multi-million-dollar jet engines by "hours flown" instead of purchasing engines outright (Ulaga & Reinartz, 2011). Prodded by tire manufacturers such as Michelin, operators of large truck fleets have come to ask suppliers to take on fleet tire management, paying for miles rolled instead of tires bought (Kowalkowski & Ulaga, 2017). Finally, more recently, large farmers have begun to discuss with Syngenta and Dupont's Pioneer issues of yield optimization and cash-back guarantees tied to farmland output, rather than buying tons of seed. These changes have disrupted established buying patterns and led to more complex buying practices and processes (Dixon & Adamson, 2011; Jones et al., 2005; Rapp et al., 2014).

2.1. Growing interest in customer solutions

The growing focus on achieving better business outcomes, both from a customer and a supplier perspective has led to a widespread interest in end-to-end customer solutions (Eggert et al., 2014; Macdonald et al., 2016). The topic of customer solutions has been investigated from multiple perspectives. For example, some scholars investigate the processes by which firms transition from being goods-centric to solution providers (Davies, Brady, & Hobday, 2006; Matthyssens & Vandenbempt, 2008). Others have studied unique characteristics of customer solutions (e.g., Penttinen & Palmer, 2007), and explored key success factors needed for designing and delivering solutions, both on the supplier and the customer side (Galbraith, 2002; Storbacka, 2011; Ulaga & Reinartz, 2011).

There is emerging consensus that solutions should be viewed as more than just bundles of customized and integrated sets of goods and services (see Macdonald et al., 2016). The literature suggests it is instructive to define solutions as joint supplier-customer processes for solving customer issues/problems. Tuli et al. (2007) suggest that these joint processes are comprised of four relatively discrete stages—(1) customer requirements definition, (2) customization and integration of products, (3) deployment of products, and (4) post-deployment support. In the remainder of this article, we adopt this four-stage characterization of the solution co-creation process.

2.2. New demands placed on solutions salespeople

Extant research points out that selling customer solutions places new and varied demands on salespeople (Evans et al., 2012; Storbacka, Ryals, Davies, & Nenonen, 2009). Yet, knowledge of the specific nature of these demands and how they relate to the solution sales process is still in its infancy. This is because despite a significant body of

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