A STUDY ON THE PRESENT INTERNATIONAL SALES NEGOTIATION PROCESS AND AN UPDATED MODEL FOR SALES NEGOTIATIONS

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TIIVISTELMÄ

Tampereen ammattikorkeakoulu
Liiketalouden koulutusohjelma
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KATAJA, SATU:
Tavoitteellisen kansainvälisen myyntikeskustelun kartoitus ja päivitetty toimintamalli

Opinnäytetyö 82 sivua, joista liitteitä 20 sivua
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Business-to-business (B2B) myynti ja myyntikeskustelut ovat yritysten menestymisen kannalta olennaisia aiheita kansainvälisessä ja yhä enenevässä määrin dynaamisesti muuttuvassa toimintaympäristössä, jossa asiakkaat ovat valistuneempia kuin aiemmin. Näin ollen tämän opinnäytetyön tavoitteena oli sekä kerätä tietoja ja esitellä case-yrityksen tavoitteellinen kansainvälinen myyntikeskustelu että analysoida sen vahvuudet, heikkoudet, mahdollisuudet ja uhat. Lisäksi opinnäytetyön tavoitteena oli luoda päivitetty malli yrityksen kansainväliseen myyntikeskusteluun. Työn tavoitteena ei ollut luoda lennokkaita ideoita myyntiin, vaan säilyttää kehittämisessä realistinen ote.

Opinnäytetyö jakautuu kahteen osaan: teoriaosuuteen ja empiiriseen osuuteen. Tutkimuksen teoreettinen viitekehys perustuu työn kannalta relevantteihin B2B myynnin ja myyntikeskusteluiden teorioihin. Tutkimuksen empiirinen osa oli luonteeltaan kvalitatiivinen ja lähestymistapana oli tapaustutkimus. Tutkimuksen menetelmänä käytettiin haastatteluita. Tutkimusaineisto muodostuu seitsemän myyntiedustajan henkilökohtaisesta haastattelusta kasvotusten, Skypen ja puhelimen välityksellä. Lisäksi tietoja kerättiin sähköpostitse. Haastateltavien vastuualueet kuuluvat EMEAan. Yhden haastateltavan vastuualueena on Aasian ja Tyynenmeren alue.

Opinnäytetyön ja haastattelujen tuloksissa ilmeni, että yrityksen myyntiedustajat ovat kokeneita ja myyntikeskustelut vaihtelevat tilanteiden mukaan. Yrityksen tavoitteellisen kansainvälisen myyntikeskustelun voidaan kuvata olevan ainutlaatuinen kanssakäyminen myyntiedustajan ja asiakkaan kesken. Lisäksi kulttuuriset tekijät ovat olennaisessa asemassa myyntikeskusteluissa ja siten koko myyntiprossissa. Tuloksissa myös ilmeni, että yrityksen myyntiprosessi mukailee myynnin klassista ”seven steps of selling” -mallia. Voidaan todeta, että myyntiedustajien on hyödyllistä kartoittaa asiakkaan todelliset tarpeet yhä tarkemmin ja painottaa ratkaisun tärkeyttä asiakkaalle. Opinnäytetyön tuloksien mukaan yrityksen kansainvälisessä myyntikeskustelussa on suositeltavaa soveltaa SPIN® mallia, painottaen erityisesti merkitys- ja tilannekysymyksiä. Jatkotutkimus erityisesti kulttuuristen tekijöiden vaikutuksista myyntikeskusteluihin EMEAn sekä Aasian ja Tyynenmeren alueella on suositeltavaa.

Asiasanat: yritysmyynti, myyntikeskustelu, SPIN® myynti, seven steps of selling

ABSTRACT

Tampereen ammattikorkeakoulu
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Business-to-business (B2B) sales and sales negotiations are essential issues for companies in a continuously changing, uncertain and demanding business environment where the buyers are more sophisticated than before. Therefore, the objective of the thesis was to gather information on the international sales negotiation process in the Company X, and to draw up an analysis of the strengths, weaknesses, opportunities and threats. In addition, the purpose was to establish an updated model for the international business negotiation for the company. The purpose of this thesis was not to develop eloquent ideas for sales, but to maintain a realistic way of development.

This thesis is divided into two parts. The theoretical framework of the thesis is based on the relevant B2B sales theories regarding sales and sales negotiations because these theories have dealt with the topic as an entirety. The research method of the thesis was qualitative and the chosen approach was a constructional case study. The empirical part and the research data were gathered by conducting a qualitative survey among seven sales representatives in EMEA. In addition, one person has Asia Pacific as his sales region. More accurately, the empirical part is based on questionnaires, face-to-face interviews, and Skype and mobile phone conversations with the sales representatives. The data were also collected via email. The empirical part presents the results of that material.

The findings of the thesis indicated that all the sales representatives are experienced and the sales negotiations vary from one salesperson to another and case by case. Therefore, the sales negotiation process of the Company X could be described a unique sales interaction process between the sales representative and the customer. In addition, cultural aspects have an impact on sales negotiations and the sales as well. This study also showed that the sales process in the Company X has several characteristics of the seven steps of selling, which is a classical sales model. The findings suggest that the sales representatives should find the real needs of the customer more accurately and emphasise the value of the solution. In conclusion, these results suggest that the SPIN® model is recommended for the sales negotiation process of the Company X. Especially, need-payoff questions are recommended as well as situational questions. Therefore, a detailed study on the cultural aspects of sales negotiations in EMEA and Asia Pacific would be recommended.

Key words: business-to-business sales, sales negotiation, the SPIN® selling, the seven steps of selling

CONTENTS

1 INTRODUCTION

This chapter introduces the overview of the thesis framework. The purpose of the chapter is to describe and clarify the background of the thesis for the reader. This introductory chapter begins by presenting the background of the thesis in the chapter 1.1. Secondly, the objectives, purposes and limitations are presented in the chapter 1.2. Next, the structure of the thesis is shown in the chapter 1.3. The research is outlined in this section. Finally, the case company is briefly described in the chapter 1.4.

1.1 The background of the thesis

The main reason for choosing the topic is my personal interest. As a Master of Science in Technology in the field of mechanical engineering, I have always been in the opinion that both engineers must understand marketing and sales and salespeople must also understand engineers. However, persons with a technical background are usually analytical. On the one hand, it may stem from their education, on the other hand, it may stem from their personalities. Technical persons are experts on their own field and they usually set great importance for technical features of the products and services. As a result of this, the same may also occur in sales negotiations. It is also essential to notice that there may be sales representatives in the industry who do not have any technical background. Therefore, they may focus on different kind of topics in sales negotiations compared to persons who do have a technical background. Parvinen (2013, 94) states that sellers' personalities, educational backgrounds and various factors influence their sales techniques. It is also true that many technical persons may shun the hyper salesperson who might ignore specific questions by buyer. Hautamäki (2016a) emphasises that it is important that sellers and buyers have similar personalities in enterprise sales. In addition, it is significant that the seller handles the scares and concerns of the buyer. For example, a systematic and introverted buyer may become convinced if the representative is systematic and calm. All in all, in the global economy, a successful sales negotiation has become a central issue for companies. (Parvinen 2013, 94; Hautamäki 2016a.)

1.2 Objectives, purpose and limitations for the thesis

The objective of the thesis is to gather information on the present international sales negotiation process in the Company X. Therefore, the research problem is to find out what kind of the sales negotiation process Company X has.

The research problem of this thesis is: What kind is the present international sales negotiation process of the Company X? Secondary research question is: What kind of strengths, weaknesses, opportunities and threats do the present international sales negotiation process of the Company X have?

The purpose of the thesis is

- to gather information on the international sales negotiation process in the Company X through interviews of sales representatives.
- to draw up an analysis of the strengths, weaknesses, opportunities and threats. The strengths, opportunities, weaknesses and threats of the present sales negotiation process will be described.
- to establish an updated model for the international business negotiation process for the Company X.
- give the Company X a concrete advantage over competitors of the company.

The main idea is to maintain a realistic way of development and a concrete advantage over the company's competitors. The purpose of this thesis is not to develop eloquent ideas for sales. Due to practical constraints, this study cannot provide a comprehensive review of the sales process and sales negotiation process of Company X. Sales negotiations vary from one salesperson to another and case by case. It should be emphasised that sellers' personalities also have an effect on sales negotiations. However, the thesis does not cover different types of sellers.

There is, a as can be expected, a myriad of closing tactics in the field of sales. It is beyond the scope of this study to examine these tactics more accurately. In addition, cultural aspects have an impact on sales negotiations and the sales as well. The cultural aspects of sales negotiations are described at a general level in this thesis. A full discussion of these themes lies beyond the scope of this study.

As can be expected, the field of business-to-business sales theory is extremely wide, and therefore, it is not possible, or even appropriate, to focus on every interesting aspect on business-to-business sales theories and methods. The theoretical framework of the study has been narrowed down a few relevant theories regarding sales negotiation and sales processes because the purpose is to deal with sales negotiation and sales as an entity.

1.3 Structure of the thesis

The thesis is divided into five chapters. The first chapter is an introduction to the theme. It gives an overview of the background of the thesis, its objectives, purposes and limitations. In addition, the first chapter states the research questions and gives theoretical and empirical framework.

The second chapter is theoretical. The purpose of this chapter is to familiarise the reader with the theoretical framework of the thesis. In addition, the goal is to clarify and explain concepts used in sales process and sales negotiation process for the reader.

The third chapter is concerned with the methodology used for the thesis. The research methods are presented and validated.

The fourth chapter covers to the empirical part of the study: interviewing sales representatives as well as a report based on the results of interview analysis. The purpose of this chapter is also to present the summary of the strengths, opportunities, weaknesses and threats of the present international sales negotiation process.

Finally, the fifth chapter gives a summary and critique of the findings. The aim of this chapter is to answer the research questions, draw conclusions and give suggestions for improvement and further research. In addition, the last chapter presents an updated sales negotiation model for the case company.

1.4 Case company

The case company is a Finnish-based company and it is a pioneer in its field of business. The operations are divided into the machines and services. There are sales and service in several locations and manufacturing in two locations.

2 THEORETICAL FRAMEWORK

The purpose of this chapter is to clarify and highlight the importance of the business-to-business selling theories related this thesis for the reader. First, the definitions of a negotiation are briefly described in the chapter 2.1. The aim of this subchapter is to define the term but not to analyse the definitions in more detail. Second, the sales model called *the seven steps of selling* is presented in the chapter 2.2. This subchapter reviews the classical paradigm in the sales science for the reader. Third, the SPIN® model is explained in the chapter 2.3. The goal of this subchapter is to clarify the successful sales concept for the reader. After that, business-to-business sales today is presented in the chapter 2.4. The purpose is to explain the relevant and topical issues related business-to-business sales. Furthermore, chapter 2.5 explains the role of salesperson in sales. Finally, the importance of culture and trust in sales negotiations are briefly described in the chapter 2.6.

2.1 Definition of a negotiation

Before explaining sales theories, it is necessary to define the term *negotiation*. There exists divergent interpretations and definitions of negotiation, depending on sources. Agndal, Åge and Eklinder-Frick (2017, 487) define that in a negotiation, two or more sides attempt to affect each other through different means of communication with the aim of achieving both their own and common objectives. For instance, these objectives could be the exchange of products, services and other resources such as information. A negotiation may also be defined as “a social process in which multiple, interdependent parties with non-identical preferences mutually decide how to allocate scare resources.” (Neale & Northcraft 1991 and Pruitt 1983, according to Kong, Dirks and Ferrin 2014, 1236). Moreover, “negotiation is a ubiquitous social activity that occurs when individuals do not have identical interests but nevertheless must rely upon others to reach their goals.” (Carnevale & Pruitt 1992 and Thompson, Wang & Gunia 2010, according to Kong, Dirks and Ferrin 2014, 1236).

2.2 The seven steps of selling – the classical sales model

Moncrief and Marshall (2004, 13) and Sheth and Sharma (2008, 262) claim that one of the oldest tenets in the field of modern sales is *the seven steps of selling.* The steps in this generally accepted paradigm are 1) prospecting, 2) preapproach, 3) approach, 4) presentation, 5) overcoming objections, 6) close and 7) follow-up. What is interesting is that the classical theoretical framework has been quite stable and it is one of the most widely accepted models in sales. Moncrief and Marshall (2004, 13–14) argue that the steps in the traditional selling process have been almost the same and have changed only a little since the turn of the twentieth century. (Moncrief & Marshall 2004, 13–14; Sheth & Sharma 2008, 262.)

According to Moncrief and Marshall (2004, 13), the seven steps of selling can be found both in the first sales books and journals. For instance, the sales book *"How to Increase Your Sales"* from the year 1920 lists the six steps of selling. These steps are listed as follows: 1) find the prospect, 2) preapproach, 3) approach, 4) the demonstration, 5) the argument and 6) the close. Interestingly, only the traditional step "follow-up" is missing. (Moncrief & Marshall 2004, 13–14.)

Moncrief and Marshall (2004, 14) emphasise that there are a wide variety of selling methods in sales organisations. These methods could be described a selling mix, which includes not only the traditional field sales actions, but also the other methods of selling: i.e. national sales representatives, part-time salespersons, teleselling and Internet selling. In addition, another method of selling is selling via distributors or partners. As mentioned in the chapter 1.2, the field of business-to-business sales theory is extremely wide, and therefore, it is not possible, or even appropriate, focus on every interesting aspect on business-to-business sales theories and methods. The following is a brief review of the steps of the seven steps of selling because it is a classical sales theory. (Moncrief & Marshall, 2004, 14.)

2.2.1 Prospecting

Moncrief and Marshall (2004, 15) describe prospecting to be a method for a salesperson to look for potential and new customers. It is one of the significant tasks of salespeople because it expands the customer base. Sales organisations occasionally lose customers. Moncrief and Marshall (2004, 15) add that books in the field of sales typically describe the methods of prospecting, such as networking and referrals. One way of prospecting is to ask current or past customers to seek out more customers on your behalf or even steal another person's customers. Moncrief and Marshall (2004, 15) point out that the traditional way of prospecting is that salespersons find their own prospects. Therefore, it is an important and huge part of selling, although it may be the most intractable and the most tedious part of the sales job for many salespersons. (Moncrief & Marshall 2004, 15.)

2.2.2 Preapproach

According to Moncrief and Marshall (2004, 15), the preapproach step involves postprospecting activities prior to a visit to a prospect or a customer. In other words, sales representatives familiarise themselves with the customer's requirements and analyse the previous correspondences. Hautamäki (2016c) underlines that it is crucial for the salesperson to prepare oneself well for sales negotiations, to serve the customer precise even before the meeting and to take care of all issues diligently. It is also useful, if it is possible, to talk with gatekeepers. The main point is to summarise relevant material and prepare oneself for the visit and sales negotiation. (Hautamäki 2016c; Moncrief & Marshall 2004, 15.)

Sellers could have lots of information by way of a thorough preapproach. Aminoff and Rubanovitsch (2015, 133) point out that digitalisation enables changes of sales processes in a revolutionary way. For instance, the seller could check out the economic situation of the buyer's organisation or investigate the web sites of companies. Salespersons could also read up on annual reports and press releases on the Internet. In addition, salespersons could, for instance, find both YouTube videos and blogs about the customer's company on the Internet, as well as references about companies. It is also possible to have information about what the media has written about the company by way of search engines, such as Google. However, it is important to bear in mind that buyers also have possibilities to do the same activities. According to Aminoff and Rubanovitsch (2015, 135), a thorough preapproach by the buyer and the seller is actually the best way to minimise time which is used to the whole sales process. Moncrief and Marshall (2004, 15) add that this step also includes both discussing with gatekeepers and mental preparation for the approach which is the next step. (Moncrief & Marshall 2004, 15; Aminoff & Rubanovitsch 2015, 133–134.)

2.2.3 Approach

Moncrief and Marshall (2004, 15) highlight that the approach generally takes the first minute or minutes of sales. Hänti, Kairisto-Mertanen and Kock (2016, 134) also point out that usually everyone draws conclusions about a new person during the first minutes. Because of this, the first impression has a crucial role in sales negotiations. (Moncrief & Marshall 2004, 15; Hänti, Kairisto-Mertanen and Kock 2016, 134.)

The approach involves a wide range of strategies and tactics of a salesperson when (s)he meets the potential customer. Hänti et al. (2016, 134) point out that the salesperson must carefully think how (s)he approaches the customer. For instance, precision, an impressive entrance, a handshake and the outward appearance of salesperson are essential parts of the first impression and the approach step as well. In addition, small talk and non-verbal language, such as eye contact, have a crucial role in the first meeting. The salesperson sells first himself or herself and the company for the customer during the first appointment. Then, (s)he sells the product, service and solution and after that (s)he sells the price. (Moncrief & Marshall 2004, 15; Hänti et al. 2016, 134.)

Hänti et al. (2016, 135) state that a smile usually creates positive ambience. Nevertheless, an unnatural smile and gestures may annoy the prospect. It could even turn against the salesperson and increase mistrust. Hence, the salesperson must have a good knowledge of human nature and social intelligence as well. The study by Hautamäki and Routamaa (2016) revealed that "buyer's expectations for sales interactions are influenced by their personality, which can be used to the advantage of sales organizations to satisfy the buyers expectations." (Hautamäki 2016b, 62). As mentioned in the introduction chapter and according to Hautamäki (2016a), for instance a systematic and introverted buyer may become convinced if the salesperson is systematic and calm. All in all, the goal of the approach step is to make a positive first impression and to inspire confidence. (Hautamäki 2016a; Hautamäki 2016b, 62; Hautamäki & Routamaa 2016; Hänti et al. 2016, 134–135.)

2.2.4 Presentation of solution

Moncrief and Marshall (2004, 15) hold the view that the presentation step is the main part of the sales meeting. As can be expected, the presentation should take place after the sales representative has specified preliminary requirements of the prospective buyer. This step may include one or more lengthy negotiations over a period and, therefore, it could be a time-consuming and complex process. (Moncrief & Marshall 2004, 15.)

2.2.5 Overcoming objections

Hänti et al. (2016, 149) outline that an objection is a suspicion or a question expressed by a customer. Objections may be either a sign of interest or an excuse to get rid of a seller. Moncrief and Marshall (2004, 15) define that objections are customer's questions and hesitancies about the company or products. Surely, there will always be objections in sales negotiations. It is obvious that there may be several reasons for objections and, in addition, objections may delay the whole sales process. Despite this, salespersons should react positively to all objections and diplomatically find out reasons for them. Hänti et al. (2016, 149) emphasise that a potential buyer may sometimes not to want, dare or know how to express issues that bothers him or her. Gestures, expressions or even silence may be signs of objections. Sales representatives should also find out the hidden objections by way of questions. Sellers needs information about why the customer sounds doubtful about the deal and, in addition, what issues require elaboration. Salespersons could prepare themselves for making a list of previous objections and answers to them. (Moncrief & Marshall 2004, 15; Hänti et al. 2016, 149.)

According to Hänti et al. (2016, 149), the most common reasons for objections are lack of information, misapprehensions, old habits, bad experiences, avoidance of utilitarian viewpoints or expensive price. Objections may sometimes originate either from the lack of highlighting the benefits of the solution or the lack of listening to the customer. Nonetheless, negotiations do not necessarily break down because of those issues. In that case, a sales representative should remap the customer's needs and present the benefits based on given requirements. Clearly, the customer may use objections also as tactical reasons. (S)he wants to boost his or her position in sales negotiations and does not want to be too interested in the solution. The real obstacles for a deal are either the lack of money or lack of authority. The real obstacle may also be that the customer does not need the solution at all. All in all, the salesperson should always keep in mind that objections are opportunities to give more information about the solution and should turn objections to his or her advantage and, of course, to give customer a reason to buy the solution. All objections must be dealt with in confidence and suspicions must be dispelled as well. Objections should also be handled from the customer's point of view and the essential and relevant information should be given to the customer. (Hänti et al. 2016, 149.)

2.2.6 Close

Moncrief and Marshall (2004, 15) define that a close is a successful completion of the sales presentation and the result is a commitment to purchase the product or service. Sales representatives should close the deal after the objections have been successfully dealt with. Traditionally, it has been argued that this step is difficult for many, especially new salespersons. The reason is that several sales representatives do not even ask for the deal. (Moncrief & Marshall 2004, 15.)

As stated in the chapter 1.2, there is a myriad of closing tactics in the field of sales. It is beyond the scope of this study to examine these tactics more closely.

2.2.7 Follow-up

The follow-up step is an essential step because lots of work begins after the sales contract. Sales representative must ensure that the customer is satisfied with the product or service and that the product or service includes everything what has promised. For instance, a thank-you letter to the customer or a follow-up phone are excellent ways to secure that the customer is satisfied. (Moncrief & Marshall 2004, 15.)

As a summary of this section, figure 1 was built to give a short overview of the seven steps of selling.

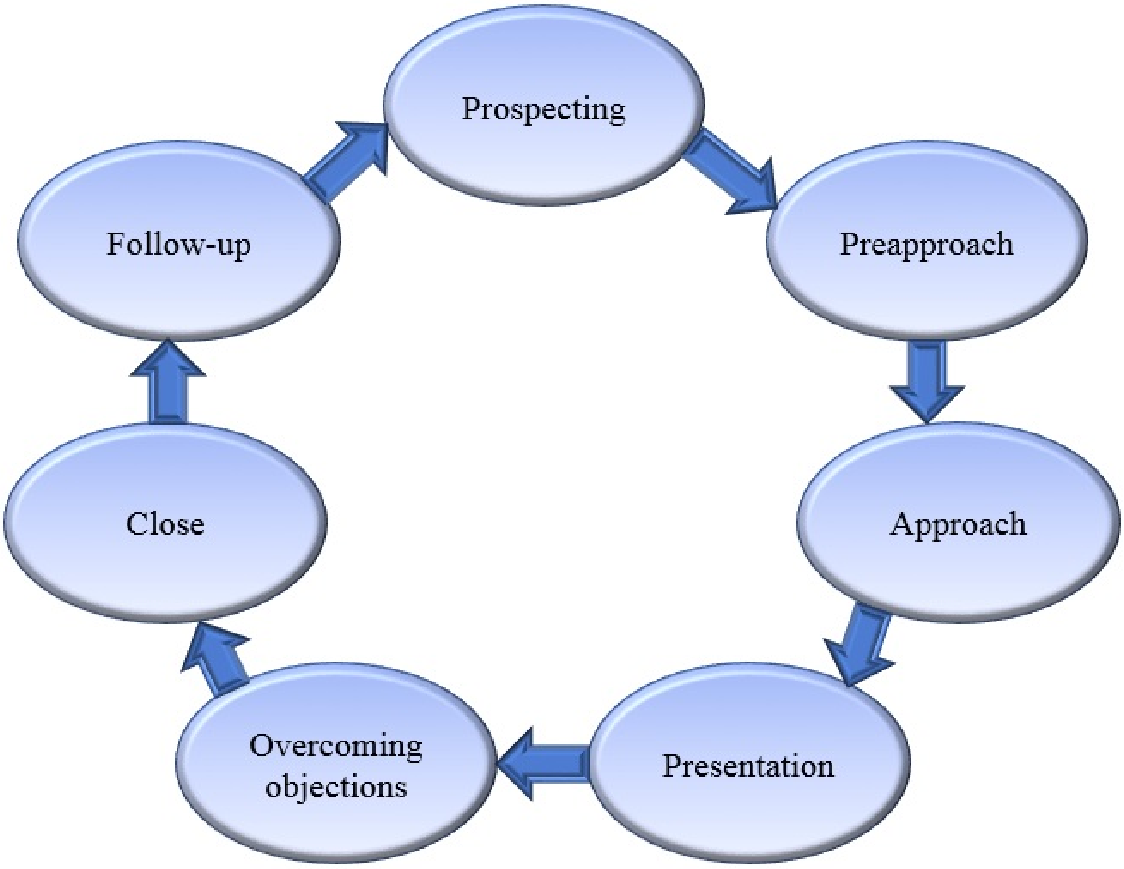


FIGURE 1. The seven steps of selling

As seen in figure 1, the seven steps of selling are a continuous selling process. So far, this chapter has focussed on the classical theoretical framework of sales. The following section will discuss the SPIN® model which is a successful technique for mapping customer's needs.

2.3 The SPIN® model – The successful technique for sales negotiations

According to Hänti et al. (2016, 142), mapping a customer's needs and making questions are essential part of successful sales work. Accordingly, there are many techniques and guidelines about what kinds of questions mapping should be started with and what kinds of questions should be avoided. One of the successful techniques is the SPIN® model. Before proceeding to examine the SPIN® model, it will be necessary to present some relevant aspects of questions and customer's needs. Additionally, it is necessary here to clarify exactly what is meant by some major definitions about these themes. (Hänti et al. 2016, 142.)

2.3.1 Question styles and customer's needs

Hänti et al. (142, 2016) states that it is usually good to ask *open ended questions*, which encourage the customer to answer comprehensively in the beginning of sales negotiation. The purpose of this is to get the customer tell freely about his or her wishes and appreciations. Open ended questions are advantageous especially in the situations where customer is ready to speak and when (s)he is aware of his or her needs. Open ended questions usually start with the words *how, why* and *when.* However, the customer does not necessarily react the way the salesperson wants them to. It is also possible that that the customer gives an evasive reply. In general, therefore, it seems useful that salespeople ask *leading questions.* The point is that leading questions focus the customer's attention to the point from which the salespeople want more information. The problem is, however, that leading questions constrain the customer's answers and customer usually answers them in brief. Another problem is that conversation may proceed to wrong way if the seller has not understood the situation right. As a result of this, crucial background information may go unnoticed. On the other hand, by way of leading questions the seller could lead the conversation and the attention of the customer to the way (s)he wants to. Hänti et al. (2016, 138) also highlight that a talented salesperson both observes customer's answers and understands customer's non-verbal communication. The sales representative should always keep in mind that all contacts, sales negotiations and solutions are made by people, although sellers and buyers work in the business-to-business environment. (Hänti et al. 2016, 138; 142.)

Rackham (1995, 50) stresses that in order to understand why question skills are divergent in large sales than small sales, the salesperson must assimilate how needs develop into desires and acts. The need is defined as "any statement made by the buyer which expresses a want or concern which can be satisfied by the seller." (Rackham 1995, 50). According to Rackham (1995, 52) needs generally start with a few insignificant imperfections and, after that, they grow into problems, difficulties or dissatisfactions. Finally, needs become desires or intent to act. Interestingly, these phases can be nearly instantaneous in small sales but the process takes longer in large sales. For instance, it could take several months or years. (Rackham 1995, 50; 52.)

Rackham (1995, 52) divides needs into two types which are *implied needs* and *explicit needs.* The former are problems, difficulties and dissatisfactions stated by the customer.

For example, the customer could mention that (s)he is not satisfied with the energy consumption of the present machine. The latter are needs which the customer strongly desires. It could be, for instance, a need for faster machines. According to Rackham (1995, 53), the distinction between implied and explicit needs is not crucial for success in small sales. However, the distinction is essential in large sales. Less successful sales representatives do not differentiate between implied and explicit needs whereas extremely successful salespeople treat those needs in a different way. (Rackham 1995, 52–53.)

Rackham (1995, 63) suggests that there are two types of questions: *uncovering questions* and *developing questions.* The first type of questions get information from buyers about their problems or implied needs and the latter type of questions develop the implied needs into explicit needs. Interestingly, some questions are more effective than others, depending on situations. For instance, uncovering questions lead to success in smaller sales because implied needs predict success best in smaller sales. However, in most cases, development questions are more strongly related to success than uncovering questions. Rackham (1995, 47) argues that questions are the most effectual to of all behaviours but he also claims that the traditional distinction between open and closed questions will not help in large sales. Rackham (1995, 189) also points out that the SPIN® model is suitable for uncovering and developing needs. This model consists of four types of questions:

- Situation questions
- Problem questions
- Implication questions
- Need-payoff questions

Rackham (1995, 47; 63; 189.)

The phases of the SPIN® model are presented more accurately in the next sections.

2.3.2 Situation questions

The letter S of the SPIN® model describes situation questions which are asked in the beginning of the sales negotiation. Rackham (1995, 64) claims that situation questions are a significant part of most negotiations. Sales representatives collect both facts and information about what the customer is doing at the moment by way of those questions.

The aim of the sales negotiation is to close the deal, and thereby collecting background data about the customer's situation is essential. Zagami (2007, 45) presents that situation questions are meaningful in building relationship with the potential customer. (Rackham 1995, 64; Zagami 2007, 45.)

As mentioned above, situation questions are an important part of questioning in sales negotiations. According to Rackham (1995, 64), they are not, however, positively related to success. A major problem with these kinds of questions is that buyers become impatient if the salesperson asks too many situation questions. Situation questions are used more in situations which fail. Rackham (1995, 65) states that they are often used by inexperienced salespersons because they are undemanding and simple to ask. Experienced salespersons do their homework well and find the relevant background information before the initial sales meeting. Studies have also shown that successful sales representatives ask situation questions wisely: each question has a real purpose. (Rackham 1995, 64–65; 189.)

There are a few examples of situation questions:

- What machines are you using at the present? How long have you had those?
- How do you keep track of what are happening in your production lines?
- What is your annual sales volume?

As seen in examples above, situation questions are quite simply. Thus, it is crucial to find the meaning and purpose to ask them.

2.3.3 Problem questions

The letter P of the SPIN® model stands for *problem questions.* As can be expected, problem questions are related to a customer's problems, difficulties or dissatisfactions (Rackham 1995, 189). Ojasalo and Ojasalo (2010, 62–63) argue that a customer's problem means different issues and it could be either a positive or negative problem. For instance, a negative problem could be a mistake, breakdown or an unutilized chance. There, the main point is to take reconstructive actions. It is typical that this kind of situation includes criticism, defining responsibilities and even finding a guilty party. Ojasalo and Ojasalo

(2010, 62) describe this as a negative problem. However, the problem could also be positive. For example, a successful company wants to succeed more, become a market leader, plans to break into the new markets or develops completely new product. This kind of situation calls for a new approach for the company. Salespeople should bear in mind that both positive and negative problems signify that the customer has need for change and the solution for this change indicates values for the customer. Additionally, it indicates the chance for deal for selling company if the salesperson could solve customer's problems. (Rackham 1995, 189; Ojasalo & Ojasalo 2010, 62–63.)

According to Rackham (1995, 69), the aim of problem questions is to uncover customer's implied needs. In addition, a customer's problem must be solved. Rackham (1995, 66) also stresses that experienced salespeople ask questions along these lines.

- What is the biggest problem you are facing so far when managing your line?
- What are the disadvantages of your present processing lines?
- Are you satisfied with your line energy consumption?
  (Rackham 1995, 66; 69.)

Rackham (1995, 67; 189) states that problem questions are very successful in smaller sales but not so effective in major sales. According to earlier studies of business-to-business selling, implied needs do not forecast success in big sales. In spite of that fact, these questions are also a relevant part of large sales and sales negotiations. There are no possibilities for a sale if you cannot solve the existing problem. Rackham (1995, 67–68) also emphasises that the salesperson does not have a basis for business relationship if (s)he cannot solve customer's problems. (Rackham 1995, 67–68; 189.)

Hänti et al. (2016, 145) underline that salespeople should use the word "problem" discreetly in sales negotiations because the customer usually has made the present choice and, therefore, (s)he may feel that the seller criticises his or her choice. Thus, a sedate approach to the problem is required. Instead of criticising, the seller could ask, for example, altered needs and circumstances. (S)he could also ask challenges or target for developments which have arisen after changes in operations. The essential goal is that the sales representative finds out the target for development in which (s)he could offer the solution. In conclusion, the customer could not recognise the significance of the solution presented by the seller if the customer could not recognise the target for development or the existing problem. (Hänti et al. 2016, 145.)

2.3.4 Implication questions

The third letter of the SPIN® model means *implication questions* and they are related to sequels or impacts of customer's problems (Rackham 1995, 190). Rackham (1995, 82–83) claims that implication questions are effective questions in larger sales, such as in high technology sales. Besides, they are powerful when selling to decision-makers. The decision-maker is defined as "a person whose success depends on seeing beyond the immediate problem to the underlying effects and consequences." (Rackham 1995, 83). What is interesting is that decision-makers seem to respond propitious to sales representatives who find out implications. (Rackham 1995, 82–83; 190.)

These are some examples of implication questions:

- Does your overtime expense increase when your line goes down?
- Does the slowness of your present production line create bottlenecks or the other problems in the other areas of the production?
- What effect does that have on output?
- Could that lead to increased costs?

It should be noted that implication questions have also a weakness. Rackham (1995, 84) states that salespeople who ask many implication questions make customers feel more uncomfortable and negative than before asking those kinds of questions. Obviously, they are more difficult to ask than situation or problem questions. The ability to develop implications for customer is, however, essential skill of salespeople because it increases the customer's perception of value in the solution the salesperson is offering. According to Hänti et al. (2016, 145), the aim of implication questions is that the customer realises that problems and challenges will continue if (s)he will continue with the present solution. However, there is no sense to ask these kinds of questions before the customer has recognised and realised the challenges or the target for developments. Hänti et al. (2016, 146) suggest that the seller should turn back to problem questions if the buyer does not recognise the consequences of the problems. (Rackham 1995, 84; Hänti et al. 2016, 145–146.)

Rackham (1995, 98) claims that salespersons have difficulties to ask implication questions. The main reason is that they do not plan them beforehand, although it is simply to plan them. First, the salesperson should write down a potential problem. Second, they can ask themselves whether the problem may lead to other problems. Third, they will write down each of the related difficulties which could make the original problem more serious. After that he or she should write and note questions which the difficulties suggest to them. All in all, this is very simple method but it works well. (Rackham 1995, 98.)

2.3.5 Need-payoff questions

The last letter of the SPIN® model stands for *need-payoff questions* which are solution-centred questions (Rackham 1995, 84). The basic idea is that the seller could ask about the value or utility of solving a problem. Rackham (1995, 84) stresses that there are also two crucial points in need-payoff questions. First, they focus on customer’s attention on the solution. Need-payoff questions are about value or advantage which the customer discovers a solution and tells seller the benefits. Naturally, this helps to achieve a positive problem-solving atmosphere because the attention focuses on solutions and actions, not problems and challenges. Additionally, the customer will tell the benefits of the solution. Hänti et al. (2016, 146) also underline that the customer tells his or her needs by himself or herself by way of need-payoff questions. They also underline that the customer mentions the benefits of the sales representative’s solution. The idea is that the customer expresses the benefits and the seller do not impose the benefits on the customer. However, the seller should turn back to problem and implication questions if the buyer does not recognise the relation between the solution and solving the problem. (Rackham 1995, 84; Hänti et al. 2016, 146.)

There are some examples of need-payoff questions.

- How do you feel a new production line will help you?
- Why is it essential to solve this problem?
- Is there any other way that a production line might help?

- Would it help if a new system could reduce energy consumption?
- You said that a new production line would be useful in reducing your energy consumption, or is there something else?

Need-payoff questions are an important component in successful sales negotiations, and play a key role in larger sales. In addition, they are strongly related to success in large sales. (Rackham 1995, 190.)

According to Hänti et al. (2016, 146), the sales representative could write notes during sales negotiations and, in addition, to choose the right reasons for the customer. Before presenting the solution, or in the end of mapping needs, salesperson could ask *a summary question.* The goal is that the customer gives his or her permission to that both sides have understood the things the same way. The SPIN® model is usually used sequentially starting with the situation questions. However, it should be emphasised that this is not a rigid formula. (Rackham 1995, 190; Hänti et al. 2016, 146.)

As a summary of this section, figure 2 was built to give short overview of the SPIN® model.

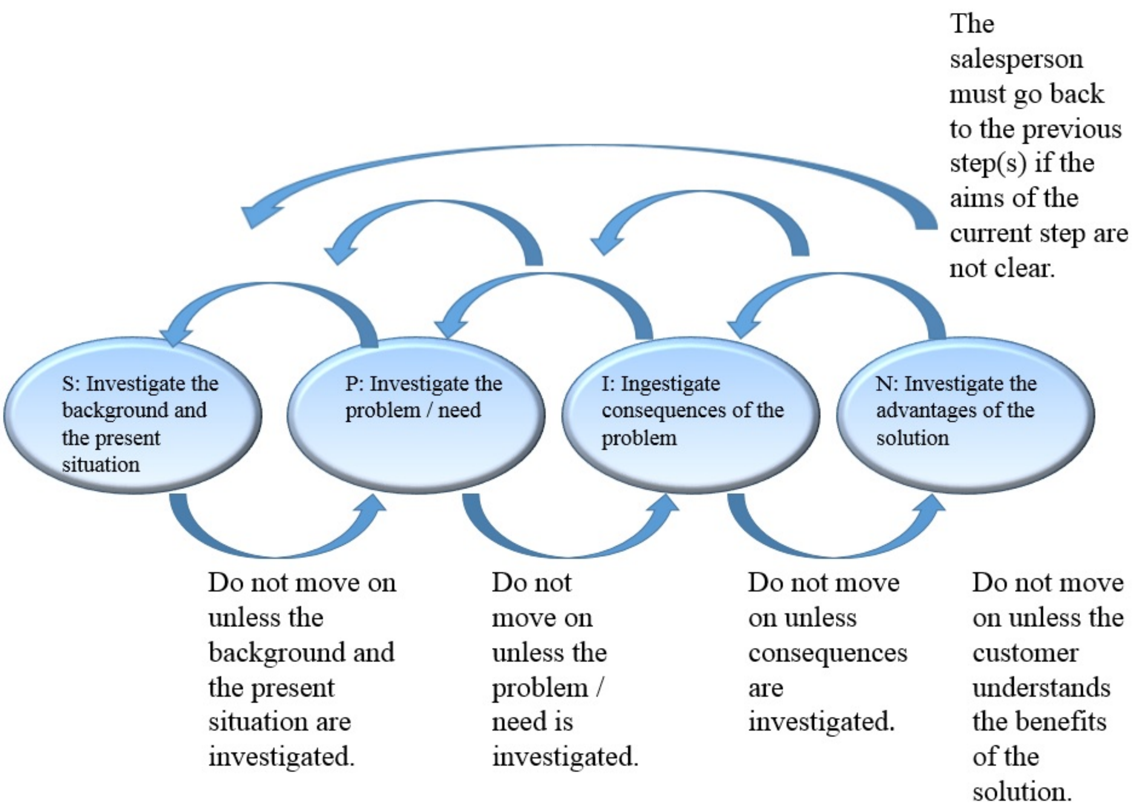


FIGURE 2. The SPIN® model (Hänti et al. 2016, modified)

As seen in figure 2, the SPIN® model consists of four phases (Hänti et al. 2016, 146). More accurately, a number of questions should be asked and investigated before moving from one phase to another. As mentioned before, The SPIN® model is usually used sequentially starting with the situation questions. However, it should be emphasised that this is not a rigid formula. (Rackham 1995, 190; Hänti et al. 2016, 146.)

2.4 Business-to-business sales today – from product-focused to customer-focused and consultative selling

Sheth and Sharma (2008, 261) state that salespersons used to work at a specific geographical location and attend to customers in a specific geographical area at one time. Moreover, salespersons and customers communicated with each other during office hours. Previously, salespersons were product experts. Sheth and Sharma (2008, 265) also claim that conventional sales organisations were product-based and there were several sales representatives selling different products. However, the world has changed enormously over last decades. The product focus has changed towards a solution and satisfaction-based service. (Sheth and Sharma 2008, 261, 265.)

According to Sheth and Sharma (2008, 265), companies have expanded globally fast. Industrial companies also have typically more than one product line nowadays. These rapid changes are having a serious effect on industrial markets and business-to-business selling. Customers, for instance, have become bored discussing with many salespersons from the same company who are selling different products. As a result of this, the need for one contact salesperson has arisen, instead of many sales representatives in each location. As a result of globalisation, companies have also expanded their sales activities outside local office hours. It is clear that customers from different geographical locations need, for instance, sales support every now and then. For this reason, 24/7 coverage, 365 days a year has increased in sales operations. This has also led to salespersons need to be in continual touch with customers. (Sheth & Sharma 2008, 265.)

Adamson, Dixon and Toman (2012, 62) claim that the most difficult issue in business-to-business selling nowadays is that customers do not need the seller the way they used to. Pellow (2013, 46) notes that the reason for this is readily available information that customers can obtain by themselves. Sisakhti (2015, 56) also holds the view that several customers have advanced in the buying process before engaging with a salesperson. They may have compared products and service options, read reviews from the Internet and social media. Moncrief and Marshall (2004, 14) also suggest that not only globalisation, but also technology, new selling tools and a changing customer base have had a great influence on salespersons and their daily jobs. (Moncrief & Marshall 2004, 14; Adamson, Dixon & Toman 2012, 62; Pellow 2013, 46; Sisakhti 2015, 56.)

Rapp, Bachrach, Panagopoulos and Ogilvie (2014, 245) note that the sales job is not only learning knowledge about products and customers' branch, but also dialogue with customers. They also suggest that the aim of the dialogue is to find out customers' needs. It should also be mentioned that the previously presented the traditional seven steps of selling method suffer from weaknesses in the new global economy. Pellow (2013, 46) summarises that a new selling model is based on the changing market insights into both customer-focused strategies and tactics. The goal is to solve business problems as a sales consultant. Sheth and Sharma (2008, 266) state that the consultative selling process will lead to steps such as *problem identification, presentation of the solution* and *continued customer support.* The results in this chapter indicate that the consultative selling plays a key role in sales nowadays and it will lead to the end of the seven steps of selling. The next chapter, therefore, moves on to discuss the role of salesperson in sales. (Sheth & Sharma 2008, 266; Pellow 2013, 46; Rapp, Bachrach, Panagopoulos & Ogilvie 2014, 245.)

2.5 The role of salesperson – from a product expert to a sales consultant

Adamson et al. (2012, 62) state that during the past decades, sales representatives were successful by discovering customers' needs and selling them solutions, that is, combinations of products and services. The reason for this was that customers did not know how to solve their difficulties, although they usually had sufficient understanding of those problems. According to Sheth and Sharma (2008, 266), salespersons were formerly recruited based on their ability to bring new customers to the organisation. As discussed above, industrial markets and business-to-business selling have changed. The product focus has changed toward a solution and satisfaction-based service. Besides, customers are more sophisticated nowadays. Sisakhti (2015, 56) holds the view that several customers have experienced an advanced buying process before engaging with a salesperson. Purchasing consultants, for instance, find easily both the essential information and the best solutions for companies. (Sheth & Sharma 2008, 266; Adamson et al. 2012, 62; Sisakhti 2015, 56.)

Pellow (2013, 46) asserts that customers do not need suppliers anymore. Instead, they need *professional sales consultants* and *business partners* who express real value by solving problems. According to Sheth and Sharma (2008, 265), salespersons have become more of customer experts than product experts. Sheth and Sharma (2008, 266) also summarise that consultative selling requires persons who can both understand the customer and solve the customer's problems. (Sheth & Sharma 2008, 265–266; Pellow 2013, 46.)

Moncrief and Marshall (2004, 14) state that professional salespeople are better educated nowadays than they once were. Roune and Joki-Korpela (2008, 53) also claim that most salespersons have a degree from a university or university of applied sciences. It is also possible to learn different kinds of sales techniques during sales training courses. However, persons develop as professional sellers by doing sales work, which is learning by doing and learning from mistakes. (Moncrief & Marshall 2004, 14; Roune & Joki-Korpla 2008, 53.)

Pellow (2013, 46) states that a skilled sales representative must create strong knowledge about the customer's business and take control of the conversation. The main reason is that with this knowledge and *insight*, the sales representative must identify the difference between what the customer should be doing versus what (s)he might be planning to do. As mentioned earlier, salesperson shows the real value of problem solving. In addition, (s)he brings *insights* the customer cannot find out by himself or herself. Pellow (2013, 47) points out that it is essential that salespersons are educated to become *insightful* about the customer's business. It should also be mentioned that salespersons must still, however, answer buyer's questions and deliver on their requirements. In addition, sales representatives should express what questions customers ought to be asking that they thus far are not considering. (Pellow 2013, 46–47.)

Dixon and Tanner (12, 2012) maintain that salespersons cannot control interactions of sellers and buyers the way they used to. The essential point for salespersons is to engage and collaborate instead of conquering and pushing. Dixon and Tanner (12, 2012) also claim that salespersons must be self-managed. They could be described as value-creating and knowledge workers. The following is a brief description of the role of culture and trust in sales negotiations. (Dixon & Tanner 12, 2012.)

2.6 The importance of culture and trust in sales negotiations

As stated in the introduction, it is clear that cultural aspects have an impact on sales negotiations. Brett (2017, 587) states that negotiators' cultures affect, for instance, their interests, priorities and negotiation strategies. A negotiation strategy is defined by Brett (2017, 587) as a set of goal-directed behaviours that persons apply to reach an agreement in negotiations. Interestingly, people rely on various negotiation strategies in different cultures. There is also a study which modelled that culture has a direct influence on trust and, therefore, it influences negotiation behaviours and outcomes as well (Gunia, Brett, Nandkeolyar and Kamdar 2011, according to Kong et al. 2014, 1249). Brett (2017, 587) highlights that it is essential for a negotiator to be aware of both their own and interlocutor's interests and priorities to be a competent negotiator in the global environment. (Gunia, Brett, Nandkeolyar & Kamdar 2011, according to Kong et al. 2014, 1249; Brett 2017, 587.)

The fact is that there are many challenges for negotiators in a continuously changing, uncertain and demanding business environment where the buyers are more sophisticated than before. According to Brett (2017, 589), the key challenge is specifically that how to reach an understanding of negotiators' interests and priorities. Research shows that both intracultural and intercultural negotiators do not bear in mind the advantages and importance of the interlocutor's interests and priorities (Brett 2014, according to Brett 2017, 588). There are, however, three remarkably effective methods to take those important themes into account. The first way is to learn about the interlocutor's economic, political and social environment. The second way is simply to ask. The third way is to make multi-issue offers and draw a conclusion. (Brett 2014, according to Brett 2017, 588; Brett 2017, 588–589.)

Brett (2017, 588) maintains that a direct and an effective way to find out interlocutor's interest and priorities is by asking questions such as

- What do you need?
- What issues are the most important to you?
- What features do you require for a new machine? What features are your top priorities?

  Brett (2017, 588.)

Obviously, the interlocutor could decide not to answer and share information about his or her interests and priorities. Therefore, the key issue is trust. A significant aspect of it is that trust in people varies from one culture to another. It is essential to inspire and evaluate the trust before asking and answering questions about interlocutor's interests and priorities. Kong et al. (2014, 1239) also emphasise the significance of trust, because both sharing information about interests and solving problems together are inventive and effective methods in negotiations. To sum up, cultures and especially trust between negotiators from different cultures have a crucial role in sales negotiations. (Kong et al. 2014, 1239; Brett 2017, 588.)

3 RESEARCH METHODOLOGY

The following chapter discusses the research methodology. This research was implemented by using qualitative methodology supported by the constructive case study approach.

3.1 The research methods

Davies (2007, 25) claims that selecting a research methodology is a critical decision after the research question has been identified. In general, there are two options to choose from: quantitative and qualitative research methods. Creswell (2009, 98–99) states that in qualitive research the researcher describes a research problem, which can be understood by investigating a concept or phenomenon. In quantitative research, instead, the research problem is best exhibited by understanding what factors or variables affect an outcome. Davies (2007, 25) emphasises that the choice between qualitative and quantitative research method is, however, not as explicit as usually assumed. Both methods can be used in the same research, depending on the research question. This methological mix is called triangulation. Patton (2002, 247) describes that triangulation attests to the validity of the research by combination of methods. (Patton 2002, 247; Davies 2007, 25; Creswell 2009, 98–99.)

There are four triangulation types. First, *data triangulation* is the use of versatile data sources in research. Second, *investigator triangulation* is the use of many researchers. Third, *theory triangulation* is the use of multiple perspectives to explicate data. Fourth, *methodological triangulation* is the use of several methods to survey a single research problem. (Denzing 1978, according to Patton 2002, 247.)

According to Ojasalo, Moilanen and Ritalahti (2014, 51), there usually may be characteristics from different research methodologies in a study. As mentioned in chapter 1.2, one of the purposes of this thesis is to gather information on the present international sales negotiation process in the Company X by way of qualitative surveys of sales representatives. In addition, an updated model for the international business negotiation process for the company is established. Thus, qualitative research methods offer an effective way to understand these phenomena. This thesis is based on qualitative methodology. (Ojasalo, Moilanen & Ritalahti 2014, 51.)

According to Myers (2009, 80), a qualitative case study is the most popular research method in the branch of business science. Yin (2009, 2) lists three reasons when case studies are the preferred research methods. First, case study is preferred when “how” and “why” research questions have been posed. Furthermore, case study is advantageous when the researcher has little control over phenomena. Finally, case study is preferred when the focus of the study is on a contemporary and real-life phenomenon. (Myers 2009, 80; Yin 2009, 2.)

Merriam (2002, 8) defines that the case study is both a description and analysis of a phenomenon. In addition, the case study could be an intensive description and analysis of a social unit as follows: an individual, group, institution or community. The goal is to describe the phenomenon thoroughly. The phases of the case study are presented in figure 3. (Merriam 2002, 8.)

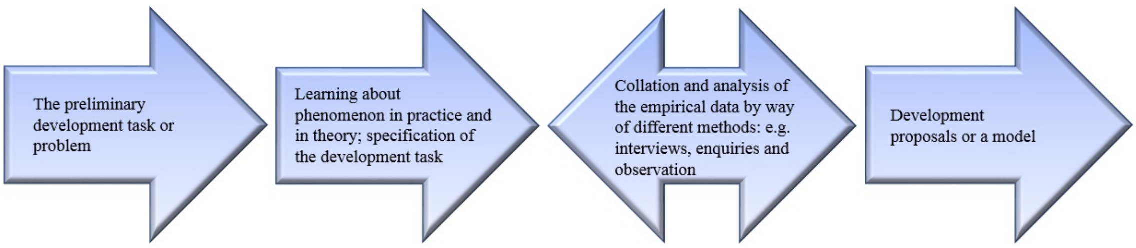


FIGURE 3. The phases of the case study (Ojasalo et al. 2014, 54)

As shown in figure 3, the first phase of a case study is the description of the problem or task. However, the specific choice of a development task is not always the first phase of a case study. For instance, it is possible that the original development task needs to be changed or edited during case study. This is a natural part of development process. (Ojasalo et al. 2014, 54.)

According to Myers (2009, 77–78), there are three approaches to case study research. First, *positivist case study* research is described as a method for testing hypotheses or propositions in real life. Second, the case study could be an *interpretive study*, which is based on interpretive or constructivist epistemology. More accurately, the goal of interpretive case studies is to understand phenomena through the meanings that people assign to the researcher. The third approach to the case study research is the critical case study research. This approach to case study research includes critical reflection on current practices. (Myers 2009, 77–78.)

The constructive approach is defined as "a research procedure for producing constructions." (Kasanen, Lukka & Siitonen 1993, 244). The elements of the constructive research are depicted in figure 4. (Kasanen, Lukka & Siitonen 1993, 244.)

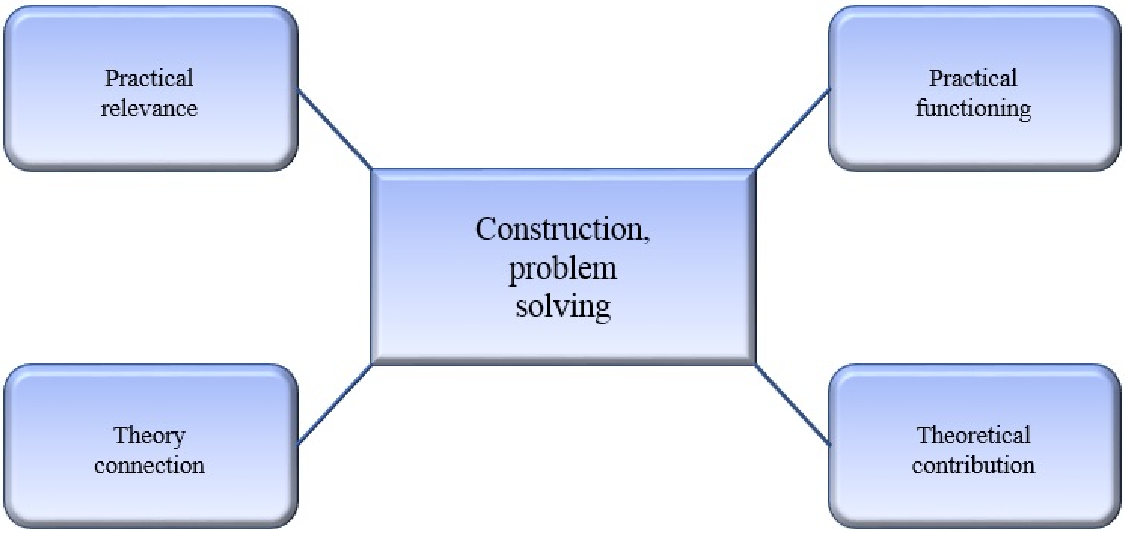


FIGURE 4. The elements of the constructive research (Kasanen et al. 1993, 246)

As figure 4 shows, there are four elements of constructive research (Kasanen et al. 1993, 246). According to Ojasalo et al. (2014, 65), the constructive research approach is suitable when the goal is to create a concrete output, plan, model or indicator. As mentioned before, the purpose of the thesis is to establish an updated model for the international business negotiation process for the Company X. Therefore, the constructive part of the approach is to create an updated model for sales negotiations. Empirical research data was gathered through Skype, mobile phone and face-to-face interviews. In conclusion, this thesis was implemented using qualitative methodology supported by the constructive case study approach. (Kasanen et al. 1993, 246; Ojasalo et al. 2014, 65.)

3.1.1 Data collection

As discussed earlier in chapter 1.2, the purpose of the thesis is to gather information on the present international sales negotiation process in the Company X by way interviews of sales representatives. In the beginning of the thesis project, a pre-selected group of sales representatives were contacted by email. The input data for the thesis was collected through interviews via Skype, mobile phone and face-to-face meetings during June and in the beginning of August 2017. The interview form is in appendix 1.

The qualitative research data consisted of seven interviews from the target organisation. The questions were carefully considered and designed to bring out the most valuable information. The interview was divided into two sections.

A. Background questions
B. The present sales negotiation process

In the next chapter, the findings of the empirical research are presented.

4 RESEARCH RESULTS

This chapter presents the case study. Therefore, the aim of this chapter is to present the results of the interviews and SWOT analysis for the reader. The chapter begins with a description of the background data of the interviewees. Second, the results of the interviews are presented in the chapter 4.2. At the end of this chapter, the summary of the strengths, opportunities, weaknesses and threats of the present international sales negotiation process are described in the chapter 4.3.

4.1 The background data of the interviewees

Before proceeding to examine the results of the interviews more accurately, it will be necessary to present the relevant background data of the interviewees. The research data was gathered by conducting a qualitative survey among seven sales representatives of the Company X. More accurately, the data was gathered through a survey questionnaire, face-to-face interviews, and Skype and mobile phone conversations with the sales representatives. The interviews lasted between a half and one and a half hours. In addition, the data has been collected via email. During the data collection, it was found that all sales representatives are experienced because all of them had several years of experience on sales area.

The sales representatives are responsible mainly for EMEA, i.e. Europe, the Middle East and Africa. One person has Finland, Scandinavia and Turkey as his sales regions. The other person has Central Europe and the third sales representative has Eastern Europe and a part of Baltic countries as sales regions. One of the sales representatives has United Kingdom and Ireland and the other person has Southern of Europe and North Africa as sales regions. One person is responsible for EMEA. In addition, one sales representative has Asia Pacific as his sales region. More accurately, this region consists of Australia, New Zealand, Japan and India. The sales regions of the seven sales representatives are presented in table 1.

TABLE 1. The sales regions of the seven sales representatives

Person	What are your sales regions?
A	Eastern Europe and part of Baltic countries
B	Central Europe
C	United Kingdom and Ireland
D	Southern Europe and North Africa
E	Asia Pacific: Australia, New Zealand, Japan and India
F	EMEA
G	Scandinavia (Finland, Sweden, Denmark, Iceland), Estonia and Turkey

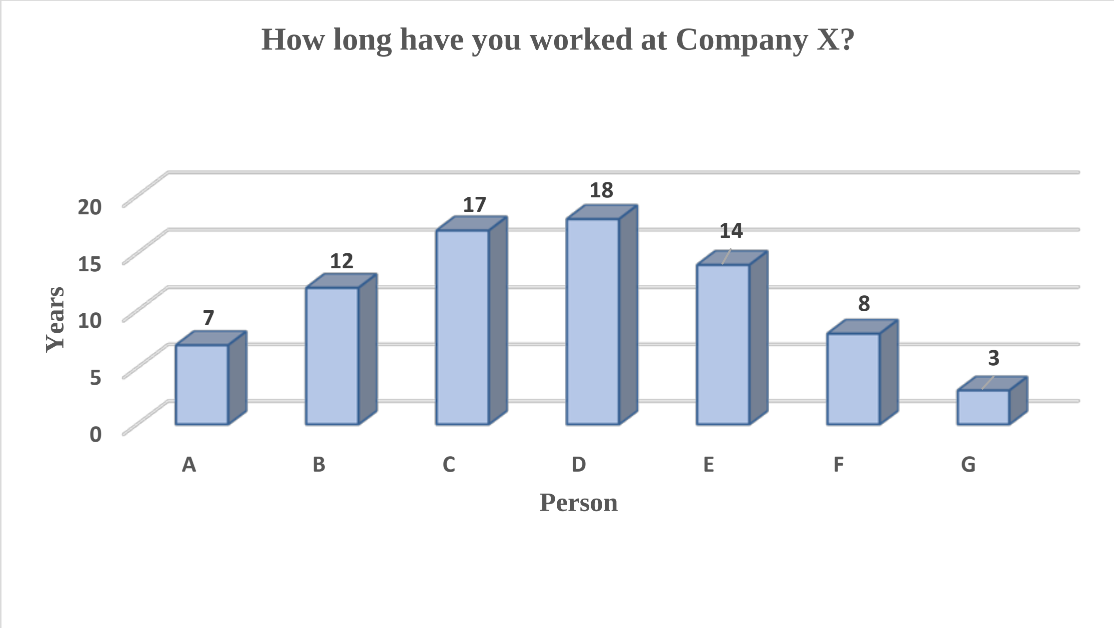
As shown in table 1, the sales representatives are responsible mainly for EMEA. Backgrounds and educational backgrounds of the interviewees are shown in table 2.

TABLE 2. Background / Educational backgrounds of the interviewees

Person	What is your background / educational background?
A	Criminology sciences
B	Some university and special education equivalent to a bachelor degree
C	Design office, Technical sales, sales, office management/personnel. ONC/HNC mechanical & production engineering, Degree in Mechanical & Electrical Engineering.
D	Master E.M.Lyon Business School – Management & Entrepreneurship Electrical & Mechanic Engineering
E	Bachelor of Applied Science (B.A.Sc.), Mechanical Engineering, B.Sc Mechanical Engineering
F	Master of Science, Mining
G	Master of Science, Mechanical Engineering

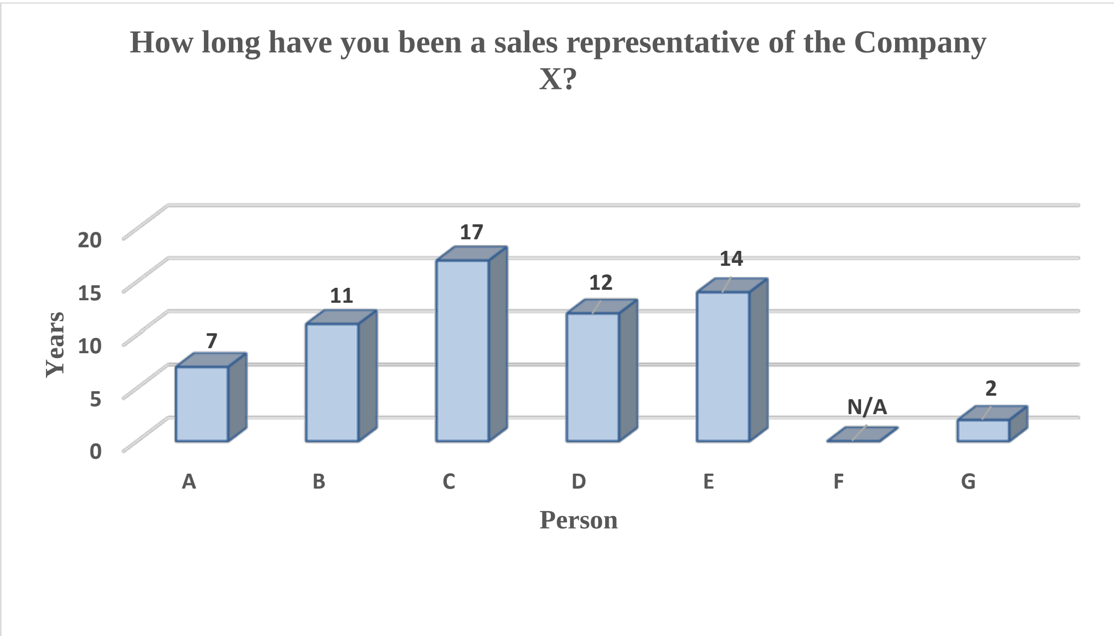
What is interesting is that, as table 2 shows, the sales representatives have versatile backgrounds and they are well-educated. On the one hand, there are persons who have technical educational background, on the other hand, there are persons who do not have technical educational background. The table below illustrates how long interviewees have worked at the Company X.

TABLE 3. The years how long persons have worked at the Company X



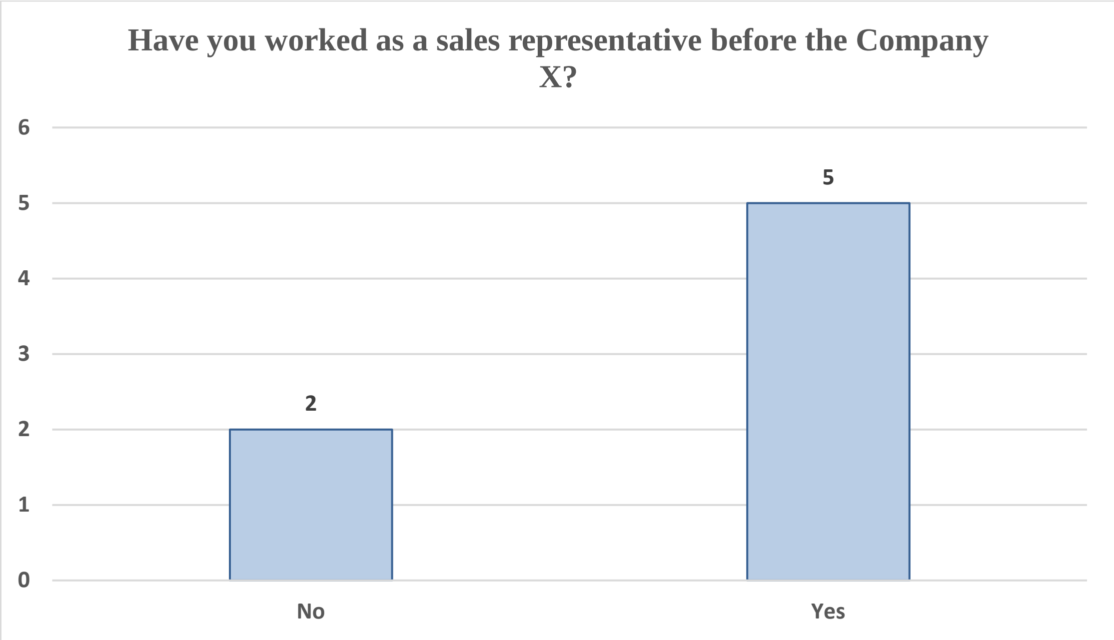
As table 3 shows, all interviewees are experienced and they have worked for the Company X about three to twenty years. It is notable that the years have rounded up to the full years in the table. Table 4 illustrates how long persons have worked as a sales representative for the Company X.

TABLE 4. The years how long persons have worked as a sales representative for the Company X



As shown in table 4, many persons have worked several years as a sales representative of the Company X. Data from this table can be compared with the data in table 3 which shows that there is a correlation between the years the persons have worked at the Company X and how long they have worked as a sales representative at the same company. Table 5 illustrates that many persons have also worked as a sales representative before the Company X.

TABLE 5. The number of persons who have worked as a sales representative before the Company X



What is interesting in this data is that almost every person has worked as a sales representative before the Company X. Table 6 presents the sales portfolio of the sales representatives.

TABLE 6. The sales portfolio of the sales representatives

Person	What do you sell?
A	The Company X "certain products" & services.
B	Full range of the Company X portfolio.
C	"Certain" machinery, upgrades, spares and all services.
D	New machine equipment for "X" industry + upgrades + spares + services.
E	"X" process which is composed of many different machines, engineering technology. I would like to highlight that we are selling both technology and service processes.
F	All the Company X new machine offering, upgrades, service business item, spare parts.
G	Machines and equipment for "X" processing, upgrades, spare parts, services and trainings.

Table 6 shows that sales representatives sell a wide range of products, upgrades, spare parts, services and trainings as well.

4.2 The results of the interviews

This chapter introduces the results of the interviews. More details on the interviews will be given in appendices 2–16.

4.2.1 The special characteristics in sales regions

As mentioned earlier, the sales representatives are responsible mainly for EMEA. In addition, one person has Asia Pacific as his sales region. There are, a as can be expected, own characteristics in each sales region.

Talking about this theme an interviewee said:

> *Mentality and special financing arrangements with EU funds in some countries.*

Another interviewee, when asked the characteristics in sales regions, said:

> *Very detailed and technical orientated customers.*

The extracts below show that special characteristics vary from region to another:

> *Mature market, highest density of "the product Y" globally per head of population. – –*
>
> *EU driven by EU price level – quality – performances and response time for service. Spares parts and engineer availability to support is a must for customers. Africa driven only by price – –*
>
> *– – For instance, there is an own business culture and language in Japan. Customers speak very little English. Therefore, an interpreter is needed in sales negotiations. The main point is how the interpreter can relay a right message from the salesperson to the customer. In addition, the youth speak English but the old and experienced persons have power of decision in Japan.*

> *– – Sales work takes approximately a fifth as much time in India than in Europe and in Australia.*
>
> *Diversified area, multicultural, turbulent volatility of economy by different territories, turbulent by war, terrorism.*
>
> *– – People are cautious in Estonia. In other words, they do not necessarily become enthusiastic about opportunistic thoughts. Estonia have prospered in a systematic way.*
>
> *People are very opportunistic in Turkey. They will buy if the price is very cheap. – –*

Overall, these results indicated that special characteristics, and culture as well, have a crucial role in sales regions. As mentioned in the literature review, culture has an impact on sales negotiations.

4.2.2 Sales enquiries

There are different ways to find and get sales enquiries. For instance, customers contact by telephone or via email. A customer can be either a new or a present customer but also a customer from competitors. Sales cycle is one important way to get sales enquiries. More accurately, it means that the present customer contacts. In addition, the sales representatives, area managers or service people make sales calls and get enquiries by way of sales activity. They also could make cold calls but it is not the main way to get sales enquiries. Sales representatives get enquiries also due to press articles and press releases of the Company X. Shows, exhibitions and various marketing campaigns play a crucial role in getting sales enquiries, as well as social networks and Internet.

There are own sales representatives at the Company X but there are also agents and distributors depending on the geographical location. For example, there are quite few distributors in Scandinavia and Europe but an experienced agent in Turkey. See the different ways to get the sales enquiries in figure 5.

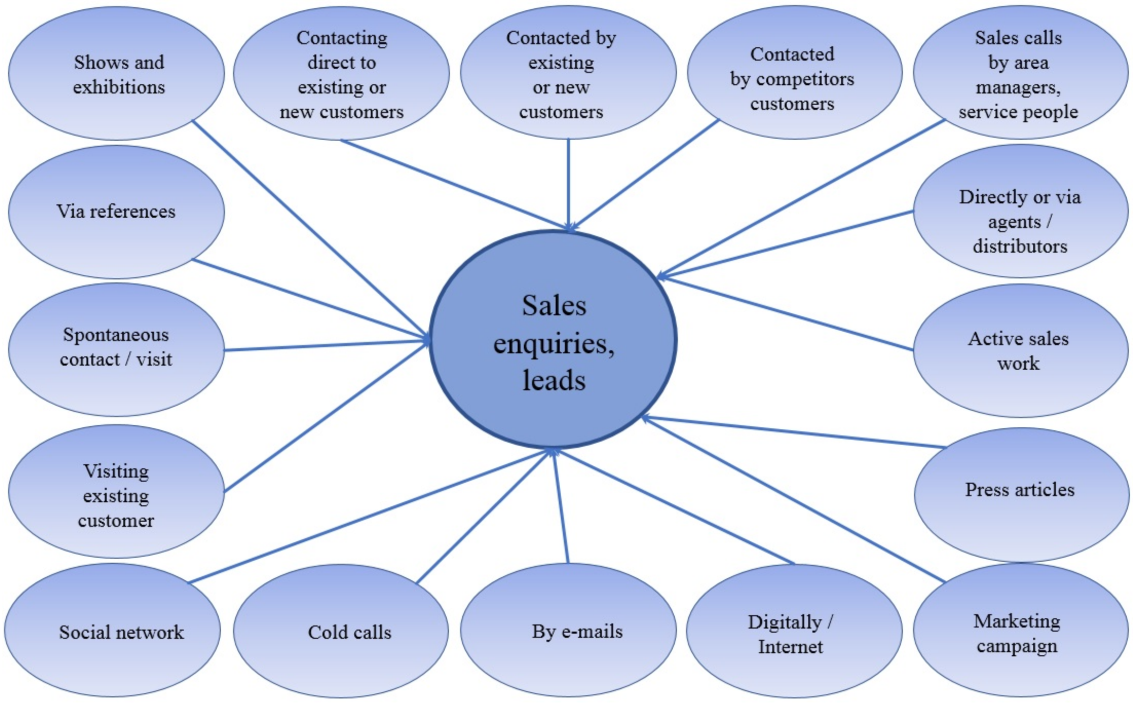


FIGURE 5. Different ways to get sales enquiries

As seen in figure 5, sales representatives get sales enquiries by different ways.

4.2.3 Preparing for sales negotiations

Sales representatives emphasise the importance of preparing in advance. More accurately, they check the customer’s background, content and competition. It is crucial to understand the customer and what are his or her driving factors. In addition, preparing sales strategy is essential as well as knowing the history of the sales enquiries by heart: how and where they are from and are there one or maybe several prospects. It is also essential to analyse the background of the case from the customer relationship management (CRM) system.

As interviewees said:

> *Customers background carefully checked - all elements on sales well prepared.*
>
> *Check content and competition, check lowest possible price from the Company X side, try to determine how likely customer will place order with the Company X anyway.*

> *Sales negotiations will normally only take place after several visits to the customer to understand his business his needs and what is our most suitable offering. Preparation takes place over those visits by picking up more information each time and hopefully understanding the customer and what are his driving factors etc… knowing / understanding what competitors are involved and what is their offering, so that a strategy can be formulated.*
>
> *Prepare in advance meeting with all necessary info – – Prepare sales strategy and right argument - sales tactic – –*
>
> *First and foremost, I go through the history of the sales leads: how and where they are from and are there one or maybe many prospects. After that, the history must know by heart.*
>
> *I also make a wish list: there are 2–5 points what I want to happen in a sales negotiation. – –*
>
> *CRM analysis of case background, case calculation, in terms of profitability – –*

As an interviewee summarised:

> *Each sales negotiation is unique and, therefore, I keep an open mind. I'm ready for everything when I'm going to meet the customer for the first time. – – CRM is useful because there may be the long history of the customer. For example, the same problem could be arisen now than five years ago.*

This phase could be described as the preapproach step of the seven steps of selling sales model. As stated in the subchapter 2.2.2, this step involves postprospecting activities prior to a visit to the prospect or the customer.

4.2.4 The typical sales process

The sales process of the Company X consists of different phases. This thesis focuses on the international sales negotiation process and, therefore, it is beyond the scope of this study to examine the sales process of the Company X more accurately. However, it is necessary to present sales process of the company in brief.

The sales process of the Company X has several characteristics of the seven steps of selling, which is a classical sales model (see the chapter 2.2). First, there must be arisen a signal about an offer. Therefore, prospecting has an important role in the beginning of the sales process. Sales representatives find and get sales enquiries, or sales leads, by different ways. These ways are presented in the subchapter 4.2.2. In general, there is initially a lead and it will be a prospect. Second, the sales representative will make an offer. Before making the offer, (s)he needs all crucial data in order to make an appropriate and the final offer. However, this is sometimes challenging because the customer does not necessarily know what kind of data is crucial. For instance, there are some essential parameters and the other important factors which have a great importance on the delivery. It is typical that the customer does not know these essential factors. Therefore, sales representatives must know very well the solutions they are selling. There are different kinds of trainings, for instance technology and product trainings, for sales representatives in the Company X. In addition, there are lots of the self-training detailed materials, for instance, in the intranet and the other applications as well. It should be stressed that the activity of the sales representative has a crucial role in sales. Of course, it is always possible to ask help, for example, from the product management and product specialists.

After making an offer it will be communication and argumentation between the customer and the sales representative. The goal is to arrange a negotiation and, of course, close the deal. Time between the offer and the meeting varies case by case. This phase may include one or more lengthy negotiations over a period and, therefore, it could be a time-consuming and complex process. It is clear that special cultural characteristics may occur in this phase as well. After a successful negotiation or negotiations, the deal will be closed. Thereafter, it is time for delivery and service. The cycle continues and the next step is a new enquiry which will be prospect. The figures below illustrate the phases of the sales process in the Company X.

FIGURE 6. The sales process of the Company X in brief

As seen in figure 6, the sales process is a logical process. The next figure illustrates sales process as a cyclic process.

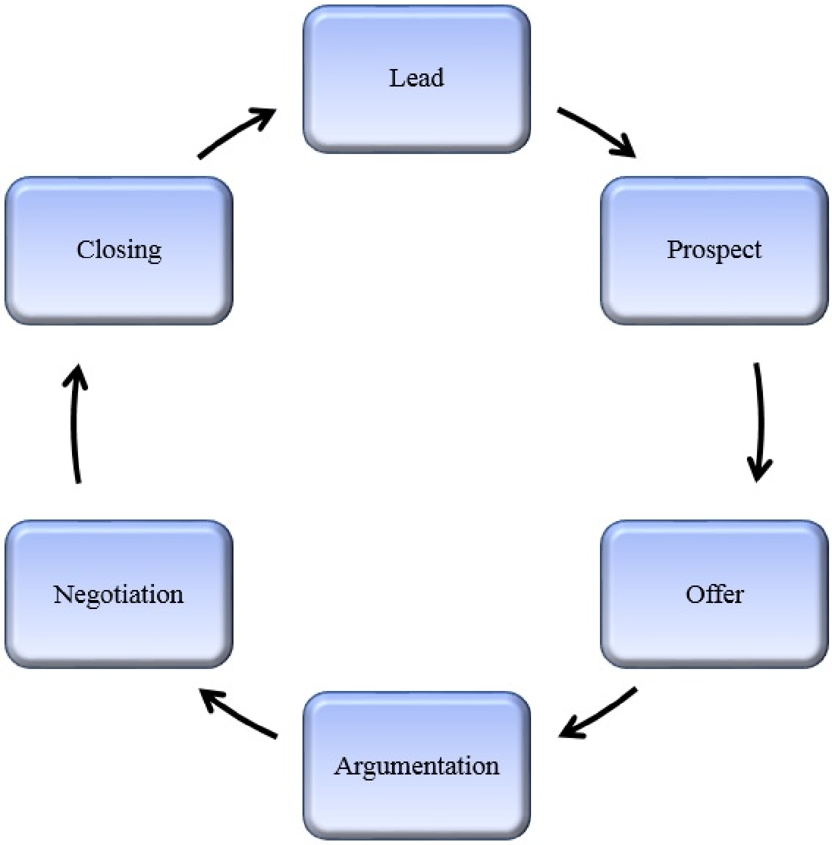


FIGURE 7. The sales process of the Company X: from lead to closing

As seen in figure 7, the sales process is a continuous sales cycle and there are several characteristics of the seven steps of selling model (see the chapter 2.2). In conclusion, as one sales representatives summarised:

> *The typical sales process is:*
> *Get the lead. → Discuss with the customer. → Make the sales proposal. → Follow up.*

The next figure describes the sales process from the delivery to the new prospect.

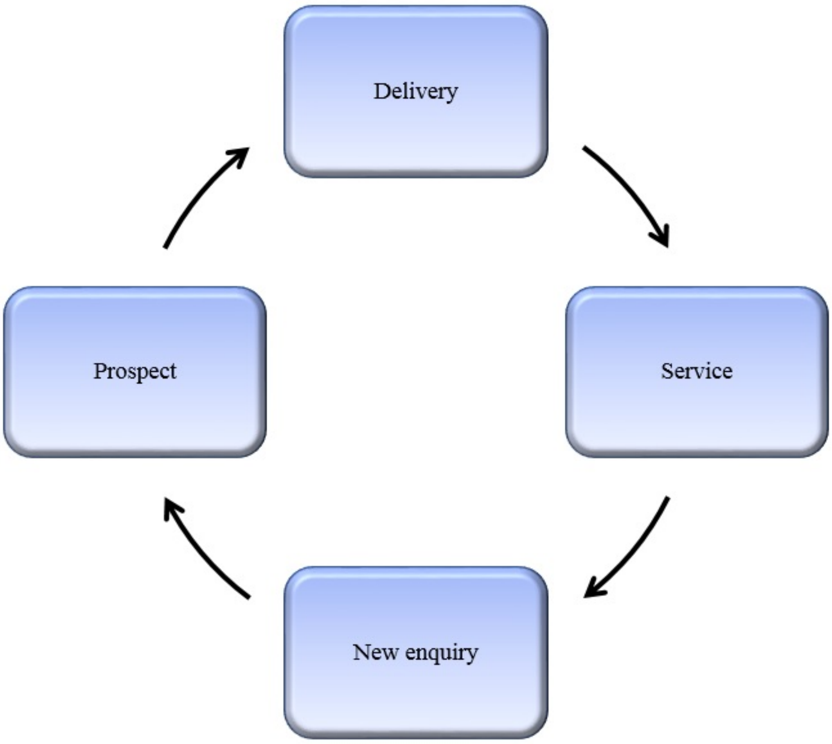


FIGURE 8. The sales process of the Company X: from the delivery to the new prospect

As can be seen from figure 8, the sales process from delivery to the new prospect is cyclic.

4.2.5 The typical sales negotiation process

Sales negotiations vary from case by case and one geographical area to another as well. There could be one or more lengthy negotiations over a period and, therefore, this could be a time-consuming and complex process. Clearly, the customer presents his or her objections in sales negotiations.

The comments below show that every sales negotiation is unique:

> *Depend on the mentality of customer, it can take 1–2 meetings, or it can take more, when platform is done: contact with customer, offering and additional material given, good feeling and deadline of the customer for negotiation, than is a right moment. – –*
>
> *There is no typical situation.*
>
> *There is no such thing as a typical process as it depends totally on the customer's needs, his business situation, his finance possibilities, grants requirements, competitor approach etc... – –*

Technical explanation - argumentation - proving (reference) - price & conditions - closing

At the first stage, I like to watch YouTube videos with the customer. – – In addition, there are marketing communications materials in negotiations. At the second stage, it is time to move on to detail questions such as: "How many per cent something will improve? What is the promise?" – –

– – You must be ready that the customer could ask everything in sales negotiations.

– – Negotiations could be short one or lengthy negotiations over a period. In addition, cultural aspects have an impact on negotiations and the length of the negotiations.

All in all, the sales representatives of the Company X are experienced and they know what sales techniques are the most suitable for every case. In addition, understanding customer's culture plays a crucial role in today's business world and, therefore, in sales negotiations as well.

4.2.6 Mapping customers' needs

Mapping customers' needs is both an essential part of a successful sales negotiation and the base for it as well. There are many ways to map customers' needs. The main point is that all needs are well-understood and clear. As mentioned in the literature review (see the chapter 2.6), the key challenge is specifically that how to reach an understanding of negotiators' interests and priorities.

The extracts below show that the sales representatives have various ways to map customers' needs:

Gathering all info form customer, calculating and understanding his needs and most important, where he wants to be.

Mostly known due to 80%+ with existing customers - otherwise background check and listening when they talk about it directly or indirect.

Discuss in detail his business, try and get his production needs / scope, establish capacity requirements, check proposed machine location to see what is possible, select our most suitable product based on his needs and his finance possibilities.

> *Listening is a must!!! Understanding global project picture, what they look for, company strategy and business expectation, to open talk on right product solution for customer.*
>
> *– – It is time to map when the basic information is clear and there is an outline of budget. The typical case is that the customer wants to buy from us but the specific parameters are not clear. – – I use the wish list, in which I list 2–5 points what I want to happen in the sales negotiation. I think the wish list should be used when we are mapping customers' needs.*
>
> *I highlight that if something is added to the offer and the price is still the same, then something should be removed from the offer. In other words, there should be a price in every change as well as the attitude: "I accept your suggestion, but only on my conditions."*
>
> *By questions, open style questions.*

As stated before in this study (see the subchapter 2.3.1), it is usually good to ask open ended questions, which encourage the customer to answer comprehensively in the beginning of sales negotiation. The purpose of this is to get the customer tell freely about his or her wishes and appreciations. These questions are advantageous especially in the situations where customer is ready to speak and when (s)he is aware of his or her needs. Obviously, the customer could decide not to answer and share information about his or her interests and priorities. Therefore, it is essential to inspire and evaluate the trust before asking and answering questions about interlocutor’s interests and priorities (see the chapter 2.6). Listening to customer has a significant role in all sales interactions and thus in different phases of sales negotiations as well.

4.2.7 Describing the solution for customers’ needs

Mapping customers’ needs, as previously mentioned, is the base for a successful sales negotiation. It is important to describe the solution for the customer’s needs after the expectations of the customer have been well understood and mapped.

Talking about this issue interviewees said:

> *When his needs are well understood, put yourself in customer shoes and tailor-made solution suitable for him.*

> *Of course, it depends. Technical description of the solution - specification - quality delivered… return of experience of other business case.*
>
> *Sales material, leaflet, iPad.*

4.2.8 Dealing with customers’ individual needs

As discussed above, it is crucial that the sales representative deals with customers’ individual needs thoroughly. Thus, it is essential to find out what are the real needs. This may sometimes be challenging because the customer does not necessarily know what (s)he really needs.

For example, one sales representative said:

> *You need to first find what his real needs are and sometimes he does not understand himself or has an idea that is not the optimum.*

As interviewees noted:

> *Find out decision makers and their role and weight in the decision.*
>
> *By asking questions each decision criteria.*
>
> *The sales representative should convince the buyer. For instance, the sales representative should convince that fixing / changing a broken part and a custom-made solution could be expensive. – – Customers do not necessarily understand that making a small part could be expensive. – –*

4.2.9 Dealing with customers' concerns

It is typical that the customers have concerns when they are buying solutions. Therefore, the sales representatives must deal with all concerns politely. The comments below show that the sales representative for the Company X deal with customers’ concerns carefully and respectfully.

Talking about this issue interviewees said:

> *Understanding them and bringing comfort to those, worry free is a key factor.*
>
> *If possible by demo or reference – otherwise technical expertise.*
>
> *Listen to all his concerns and try to find the unspoken concerns and then provide appropriate info / references that resolve / calm any concerns he may have. – –*
>
> *Any concern can get solution, customer can be for i.e. technically, financially supported.*
>
> *I have a habit of keeping a notebook / memo with me during sales negotiations. I also use lot of aids such as flip charts or other devices. I write issues and changes down if the customer asks something (for example the price). I keep always the price and changes in view and updated. In addition, I take a photo at the end of negotiation. You can always check the situation from the photo, if needed. – –*
>
> *Trying to find solutions.*
>
> *Explaining and apologising are needed. References are also useful because it is essential to explain why our solution is the best solution. There could also be cases that the customer has misunderstood something after (s)he has signed a contract. Then the contract should be analysed. It is crucial to be very sensitive and to clarify the issue in order to solve the problem.*

4.2.10 Challenges in sales negotiations

As mentioned in the literature review, there are many challenges for negotiators in a continuously changing, uncertain and demanding business environment where the buyers are more sophisticated than before. Some interviewees argued that the price is typically the issue while others thought that there will always be unexpected situations in sales negotiations.

The comments below show that the sales representatives have challenges in sales negotiations, although all persons are experienced.

> *Various different challenges, from customer good or bad day up to competition, technical feasibility, special solution package offer etc.*

Customer threatening to buy competition or postpone the project by a year, old offers from years ago, unrealistic comparison with Chinese competition, very often rebates from other suppliers.

Always cheaper competitor prices as we are always more expensive by some margin, payment terms, his finance possibilities. – –

– – Financial terms, price, delivery, warranty.

I think that a big, maybe the biggest, challenge in sales negotiations is that there is no common language. Lack of common language causes the challenges how to get the same view on the issue.

Budget and terms of payment are always the big challenge in India.

Date of delivery is a problem in Asia Pacific because shipping time is long. It is difficult to get customer to understand that the delivery cycle is even "t" months. – –

Our offering does not meet the need, we are too expensive.

Every sales negotiation is unique and there will always be unexpected situations.

A new issue and challenge is change of communication ways if we compare situation now and ten years ago. Back in the day, communication by phone succeed but nowadays the situation is different. It is difficult to contact people by phone. – –

The other challenge is the exact questions by the customer. For example, "Could you please tell more about the new technology compared to the technology 20 years ago?" I must admit that I do not have that much experience and, therefore, I cannot solve problems on the strength of knowledge. It is crucial to seek for the right answers asap if you cannot answer right now.

There will always come challenges one's way. For instance, someone does not have a budget or someone change one's mind. – –

4.2.11 Closing the sales negotiation

As stated in the chapter 1.2, there is a myriad of closing tactics in the field of sales. It is beyond the scope of this study to examine these tactics more closely. It is necessary, however, to put together the answers of this question.

For example, interviewees said:

> *Reach mutual agreement on the value of our offering, is like a nice engagement.*
>
> *Focus on what the customer needs and try and provide what he requires in a clear concise format and go through all aspects with him.*
>
> *Only the imagination sets the limit how to close the sales negotiation. There is not the only way because negotiations are very situation-related and a personal subject. It is going to be the "closing moment" (i.e. you can close the deal) in sales negotiations. I think that knowing this moment is partly talent but mostly knowledge. The principal rule is that do not go away when you are in sales negotiation and it is the time that customer wants to buy. Instead, sit down and find solutions in order to close the deal.*
>
> *By summarising the arguments and matching the needs.*

4.2.12 Closing the deal

As suggested in the previous chapter, there are several closing tactics in the field of sales. It should be noted that closing the deal is an essential part of the successful sales negotiation.

Some sales representatives stated:

> *With positive attitude and customer felling he is doing the right thing for the future - here starts a nice marriage.*
>
> *Rephrase the agreed and shake hands - prepare contract asap or sign right away.*
>
> *Usually a final discussion initiated by customer. You should normally sense the closing and not let it pass.*
>
> *By asking a closing question.*

And one person commented:

> *There are many tactics to close the deal. You can think what tactic suits the best in the current situation.*

4.2.13 The unsuccessful sales negotiation

It is notable that sales negotiations could be unsuccessful in some situations. A common view among the interviewees were that the sales negotiation is unsuccessful either the deal has not been closed or the demands of the customer have not been fulfiled.

As some interviewees put it:

> *Often when there is lack of customer budget, when customer is fully dedicated to other supplier (long or friendly relation) etc.*
>
> *Sales negotiation is unsuccessful if the deal has not been closed. We have not understood customer's needs or they have been misunderstood if the deal has not been closed. – –*
>
> *When we do not fulfil the demands of the customer.*
>
> *Sales negotiation is unsuccessful if the customer begins to think another solution.*

4.2.14 Analysing / reflecting unsuccessful deals

The answers, as shown in appendix 15, indicated that all interviewees analyse or reflect unsuccessful deals. Some sales representatives said that they analyse or reflect by himself while the others analyse with the colleagues or superiors.

4.2.15 New ideas of improving the present sales negotiation process

The comments below show that the interviewees have many ideas of improving the present sales negotiation process.

> *There are various different factors, always listen to your customer, treat him form first shake hand like a long-term future partner, do whatever it takes to make cooperation possible and do not underestimate customer ever.*
>
> *Sales people for an area look very stupid in front of the customer, asking to negotiate and close the deal, but have no signing power. Calculation of the Company X price is unknown – so how to defend the price is there is only a number?*

Better demos online maybe, better payment terms, maybe possibility to offer good finance to close the package?

I think we have lack of knowledge and experience in the global point of view. We should understand more exactly the whole process what we are offering to our customers. – –

The biggest problem is lack of negotiation skills in my opinion. Therefore, I have emphasised the training. We need the right training in order to increase self-esteem. We should drive forward negotiations by ourselves, not the customers.

I think that using the present CRM is a new idea. – – The new possibilities are technologies and digitalisation. For example, our "X system". I think one possibility will be that there are possibilities to buy our products online in the future.

– – CRM configurations should be improved. For instance, if the customer has bought us for a decade ago and now it's time to update. The challenge is where and how to get the information and manage the whole CRM process.

The next section of the survey was concerned with the strengths, opportunities, weaknesses and risks of the present sales negotiation process.

4.3 The strengths, opportunities, weaknesses and risks of the present international sales negotiation process

Tables 7–8 show the summary of the strengths, opportunities, weaknesses and threats of the present international sales negotiation process.

TABLE 7. The strengths and weaknesses of the present sales negotiation process

Strengths	**Weaknesses**
• Very good company's and products' reputation / brand – especially among our present customers. • The market leading products and support structure. • Excellent technical background to support – the best from market. • Excellent references with innovative projects. • A Finnish-based company. → Finland is a positive brand. • Know-how. We are a good and experienced partner. • CRM-system. • Our customer base is wide and homogeneous. → Ability to systematic work and to approach the customer. → Ability to work systematically and effectively in sales negotiations. • Our services are turned into products very well.	• Sometimes we do not have the product customer wants at the price (s)he can afford and it can be difficult to find a solution to make him or her a customer. For sure we continue to struggle in the entry level part of the market. • Chinese competition – we do not have price competitiveness. • Lack of marketing in local language – most people do not speak English. • Incoterms: customer may ask DAP even if CFR is the only possible. • The coverage is not sufficient: we are not in some market areas. • All steps are not taken in harmony. • The world has changed and we are out of ability to offer solutions effectively. You have occasionally to offer the solution for the customer even you know that it does not meet customer's needs. It is not possible to offer more effective solution because it is not profitable.

TABLE 8. The opportunities and threats of the present sales negotiation process

Opportunities	**Threaths**
• Flexible to adopt towards customer needs to make him feel comfy. • Development of new products, more automation, generally keeping the gap between ourselves and our competitors to justify the price. • Playing also with low cost product for emerging market • Better communication on customers' mother tongues. • We could highlight and utilise more the services and after sales which we have but competitors do not have. Services are an opportunity which brings about the high-level reliability. For instance, there would be potential to utilise them in Indian markets. • More vigorous working (for example digitalisation). • It is possible to operate even more systematically in sales. → Copying systematic operations model for sales negotiations.	• Can be financial, competition, budgetary → It is not possible to make your customer completely happy and satisfied. • Sometimes support is too slow. • Competitors are smart and soon find new ways to compete with us. They may also be better with better products and support. We need to find quick effective solutions to our current poor performances in the market which is damaging our reputation and ability to differentiate ourselves from the competitors. • Products are not only products but complete solution packages. • Lack of experience / knowledge / resource. → We are an experienced partner but there could be more salespeople in the field. • The traditional sales. It has happened many changes in B2C sales It will be happening changes in B2B sales as well.

As seen in tables 7–8, there are many strengths, opportunities, weaknesses and threats of the present sales negotiation process. In the next chapter, the conclusions will be examined more closely.

5 CONCLUSIONS AND DISCUSSION

This chapter is dedicated to closing the thesis. It gives a brief overview of the thesis outcomes in the form of answers for the research questions. The purpose of this chapter is to draw the results together and discuss them in relation to the theoretical framework of the thesis. First, the answers to the research questions are presented in the chapter 5.1. Second, the chapter 5.2 provides evaluation of the thesis in terms of validity and reliability. In addition, this chapter gives critique of the findings. Finally, areas for further research are identified in the chapter 5.3. In addition, an updated model for the international sales negotiations is presented in this chapter.

5.1 Results

The key research problem of this thesis was: What kind is the present international sales negotiation process of the Company X? Secondary research question was: What kind of strengths, weaknesses, opportunities and threats do the present international sales negotiation process of the Company X have?

The international sales negotiation process of the Company X could be described a unique sales interaction process between the sales representative and the customer. It may also be a complex and a time-consuming process which is affected by important and various factors such as culture, technical feasibility or mentality of the customer. In addition, it may also affect if the customer has a good or a bad day. However, it is essential to bear in mind that sometimes the customer does not know what (s)he needs. It may also occur the situations that the customer does not admit that (s)he does not understand the use of the solution. Therefore, the key issue is that the sales representatives could find out the crucial data and to assure why the solution is the most valuable for the customer by way of the SPIN® model. This study also showed that the sales process in the Company X has several characteristics of the seven steps of selling, which is a classical sales model.

It was found that there are some certain strengths, opportunities, weaknesses and threats of the present international sales negotiation process. The Company X have very good brand name and brands of products. The Company X is also a good and experienced partner and Finland is a positive brand as well. In addition, there are the market leading products and support structure. Services are also turned into products very well. These all could be described strengths of the present international sales negotiation process.

This study also showed some weaknesses of the sales negotiation process. First, there is sometimes not the product the customer wants at the price (s)he can afford. Therefore, it could be difficult to find a solution for the customer. Second, the sales representatives have occasionally to offer the solution for the customer even s(he) knows that it does not meet customer’s needs. It is not possible to offer more effective solution because it is not profitable. Third, there are lack of marketing in local languages. On the one hand, customers do not necessarily speak English, on the other hand some customers are not interested in speaking English. One weakness is also that the Company X is not in some market areas and, therefore, the coverage is not sufficient. Additionally, all steps in sales are not taken in harmony. More accurately, phases of sales and sales negotiations have to run through very fast every now and then. This may cause mistakes and even lost deals.

Additionally, the study indicated the following opportunities of the present international sales negotiation process. First, the Company X could highlight and utilise more the services and after sales which the Company X have but competitors do not have. It should be noted that services are an opportunity which brings about the high-level reliability. For instance, there would be potential to utilise them in Indian markets. In addition, an essential opportunity is to occur also with low cost products for emerging markets and to improve on communication with customers’ mother tongues. It should also be noted that operating even more systematically in sales and copying systematic operations model for sales negotiations are essential opportunities for the international sales negotiation processes in the Company X. In addition, development of new products, digitalisation and more automation are important opportunities.

There are, a as can be expected, threats in the present international sales negotiation process. They could be financial, competition or budgetary. Therefore, it could be difficult to make the customer completely happy and satisfied. In addition, support is sometimes too slow. Competitors are smart and they will find new ways to compete with the Company X. Competitors may also be better with the better products and support. Lack of experience, knowledge and resource are also threats. The Company X is an experienced partner but more salespeople in the field may be needed. It should be noted that the traditional sales is also a threat in sales negotiations. It has happened various changes in business-to-consumer (B2C) sales. Obviously, it will be happening changes in business-to-business sales as well. For instance, salespeople had a large influence over customers formerly. Instead, customers have nowadays much choice when choosing with whom they want to discuss and negotiate.

5.2 Validity and reliability

For the purpose of the thesis, there was conducted interviews with pre-selected sales representatives of the Company X. Since these seven interviews were face-to-face or via live conversations on Skype or mobile phone, an interviewer had a chance to ask additional questions to clarify interviewees' answers. The data were also collected via email. Consequently, data was precisely collected and logically interpreted which makes this thesis valid.

The reader should bear in mind that there are also limitations connected with the qualitative research. First, the findings are based on the interview data. The generality of the interviews were Skype conversations and there were a few connection issues. More accurately, the connection was sometimes a little bit broken, which may have affected the interviews. Besides, the interviews were mostly in English. English is not a native language for the interviewer. These issues may increase risk of miscommunication, which may influence the results.

Another potential problem is that the scope of the thesis may be narrow due to the limits of the thesis. It was not possible, or even appropriate, interview all sales representatives of the Company X. Thus, the reader should keep in mind that this case study is based on limited interviews. The theoretical framework of the study has also been narrowed down a few relevant theories regarding sales negotiation and sales processes because the purpose is to deal with sales negotiation and sales as an entity. More accurately, these theories are the seven steps of selling, which is a classical sales model and the SPIN® model.

5.3 Suggestions for improvement and further research

As discussed in the chapter 4, the sales representatives of the Company X are experienced and, in addition, they have own practical sales techniques.

As stated in the SWOT analysis, it is possible to operate even more systematically in sales. Thus, copying systematic operations model is recommended. The findings of this study suggest that the SPIN® model is a useful model and it could be used in the sales negotiation process in the Company X. Specifically, need-payoff questions are recommended. As stated in the subchapter 2.3.5, these questions are strongly related to success in large sales and they focus on customer's attention on the solution. The idea is that the customer expresses the benefits and the seller do not impose the benefits on the customer.

There are some examples of need-payoff questions.

- How do you feel a new production line will help you?
- Why is it essential to solve this problem?
- Is there any other way that a production line might help?
- Would it help if a new system could reduce energy consumption?
- You said that a new production line would be useful in reducing your energy consumption, or is there something else

In addition, this case study confirms the importance of the effectiveness in sales negotiations. It can thus be suggested that situation questions are asked even more systematically than before. As discussed earlier in the subchapter 4.2.4, the sales representative needs all crucial data in order to make an appropriate offer. However, this is sometimes challenging because the customer does not necessarily know what kind of data is crucial. For instance, there are some essential parameters and the other important factors which have a great importance on the delivery. In the interviews it came up that the customer does not necessarily know these essential factors. Therefore, these results suggest that experienced sales representatives could know even better the solutions they are selling and the sales support could be faster.

There are a few examples of situation questions:

- How do you keep track of what are happening in your production lines?
- What is your annual sales volume?

As seen in examples above, situation questions are quite simply. Thus, it is crucial to find the meaning and purpose to ask them.

During writing process of the thesis, the author came up with three additional issues, which could be solved while conducting new theses. First one concerns about culture and negotiation strategy. Challenges in the global business environment are more complex than ever because the world has enormously changed during the last decades. Therefore, these rapid changes are having an enormous effect on sales and sales negotiations as well. In this study, the sales representatives are responsible for EMEA and Asia Pacific. There are many countries and various cultures in these geographical areas. The results clearly showed that the sales process and sales negotiations vary from one salesperson to another and case by case and, thus, each sales negotiation is unique. These findings may help us to understand that there are various factors which influence sales negotiations, such as a negotiator, interlocutor and their cultures. In addition, the sales representatives have different kind of backgrounds and educational backgrounds which may affect negotiations. As mentioned earlier, culture has an impact on sales negotiations. As also mentioned, cultural aspects of sales negotiations are described at a general level because the purpose was not to describe these aspects in detail in this thesis. In the global environment, cultures and negotiation strategies have become central issues for international sales. Therefore, a detailed study on the cultural aspects of sales negotiations in EMEA and Asia Pacific would be recommended.

Second issue concerns closing the deal. As stated in the chapter 1.2, there is a myriad of closing tactics in the field of sales. It was beyond the scope of this study to examine these tactics more closely. It can thus be suggested that further research investigates closing tactics of the sales representatives in the Company X.

Third issue concerns the lost cases and deals. As mentioned earlier in the subchapter 4.2.13, it is notable that sales negotiations could be unsuccessful in some situations. For example, this means lost deals. It would be interesting to assess the effects of the SPIN®

model and the seven steps of selling model on sales and sales negotiations process in the Company X. Thus, the key research problem of a future study could be: Would the deal have been closed, if the sales representative had used the SPIN® model and the seven steps of selling model more accurately? A further study with more focus on the lost deals is therefore suggested.

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APPENDICES

Appendix 1. An interview form for the thesis

Interview questions for sales representatives 1 (3)

A. Background questions

1. What are your sales regions?

2. What is your background / educational background?

3. How long have you worked at Company X?

4. How long have you been a Sales Representative of the Company X?

5. Have you worked as a Sales Representative before the Company X?

6. What do you sell?

7. What are special characteristics in your sales regions?

(continues)

An interview form for the thesis 2 (3)

B. The present sales negotiation process

1. How do you get sales enquiries?

2. How do you prepare for sales negotiations? Could you briefly describe?

3. Please briefly describe the typical sales process.

4. Please briefly describe the typical sales negotiation process.

5. How do you map customers’ needs?

6. How do you describe the solution for customers’ needs?

7. How do you deal with customers’ individual needs?

8. How do you deal with customers' concerns?

9. What kind of challenges do you have in sales negotiations? Please give an example.

10. How do you close the sales negotiation?

11. How do you close the deal?

12. Please briefly describe when the sales negotiation is unsuccessful.

13. Do you analyse / reflect unsuccessful deals by yourself or with your colleagues?

(continues)

An interview form for the thesis 3 (3)

14. What are strengths in the present sales negotiation process?

15. What are weaknesses in the present sales negotiation process?

16. What are opportunities in the present sales negotiation process?

17. What are threats in the present sales negotiation process?

18. Please provide new ideas of improving the present sales negotiation process.

Appendix 2. The special characteristics in sales regions

1 (2)

Person	What are special characteristics in your sales regions?
A	Mentality and special financing arrangements with EU funds in some countries.
B	Very detailed and technical orientated customers.
C	Mature market, highest density of "the product Y" globally per head of population. Range of needs of customer from entry level to Multi-site / Multi-National operations. Market dominated by "A" sector but also "B". Little or no "C".
D	My region is split in 2, EU and North Africa. - EU driven by EU price level – quality – performances and response time for service. Spares parts and engineer availability to support is a must for customers. - Africa driven only by price – quality or whatever is far to be a priority. They buy price and not technology. Service is something interesting but not crucial as they even willing to stop line for weeks until they get parts or engineers with visa.
E	There are own characteristics in my sales regions. For instance, there is an own business culture and language in Japan. Customers speak very little English. Therefore, an interpreter is needed in sales negotiations. The main point is how the interpreter can relay a right message from the salesperson to the customer. In addition, the youth speak English but the old and experienced persons have power of decision in Japan. There is also an own business culture and characteristics in India. Sales work takes approximately a fifth as much time in India than in Europe and in Australia. Nothing happens fast. Therefore, sales work requires patience and time. Southeast Asia, Australia and New Zealand are clear areas to work.
F	Diversified area, multicultural, turbulent volatility of economy by different territories, turbulent by war, terrorism

(continues)

Person	What are special characteristics in your sales regions?
G	I have Scandinavia, Estonia and Turkey as my sales regions. Scandinavia and Estonia have different characteristics than Turkey. Our field of business has developed with the help of EU in Scandinavia. I would like to mention that if we are discussing Finland and Scandinavia as business environments, there are no possibilities to manufacture bulk products and to compete with the price. Finland will not succeed with bulk. People are still cautious in Estonia. In other words, they do not necessarily become enthusiastic about opportunistic thoughts. Estonia has prospered in a systematic way. People are very opportunistic in Turkey. They will buy if the price is very cheap. In addition, they are building a lot in Turkey and, therefore, the demand is high. There is not much old base of "X" and they buy more. They also invest for the future.

Appendix 3. Getting sales enquiries

Person	How do you get sales enquiries?
A	From the customers directly or via agents / distributors.
B	Enquiries of existing customers, agents, constant contact with existing customers, referrals, cold calls due to info, or press article.
C	Generally contacted by customers, (existing, competitors, new). Contact direct to customers. Cold calling. Reference.
D	Visit existing customer – phone call – spontaneous contact/visit – internet – social network – marketing campaign.
E	There are three ways to get sales leads: - Partners and agents - Active sales work, i.e. calling customers - Shows and exhibitions In my opinion, partners and agents play a key role at companies like us. In addition, an active sales work is also essential. The third good way to get sales leads is shows / exhibitions. Most of sales leads are from agents in my sales region. However, there are few agents in Europe and, therefore, sales representatives / managers do their own active sales work.
F	- Sales cycle: current customers contact - Sales calls (by area managers, service people) - Through agents - Digitally
G	There are no agents in Scandinavia. I have worked as a sales representative. Instead, there is an agent in Turkey. The agent has done sales work and visited customers for 20 years. Therefore, he does fieldwork and develop as well. In addition, there are much more on sale than new machines. Our company has a long history and we have sold "X" for decades. I would like to mention that "X" from 1980 are still in use and on sale. Therefore, there is much about activity of the sales representative. You must scan customers' plants and machines and think what more could be offered. For instance, how many of our customers know that the efficiency of the machine is needed?

Appendix 4. Preparing for sales negotiations

Person	How do you prepare for sales negotiations? Could you briefly describe?
A	Customers background carefully checked - all elements on sales well prepared.
B	Check content and competition, check lowest possible price from "the Company X" side, try to determine how likely customer will place order with "the Company X" anyway.
C	Sales negotiations will normally only take place after several visits to the customer to understand his business his needs and what is our most suitable offering. Preparation takes place over those visits by picking up more information each time and hopefully understanding the customer and what are his driving factors etc… knowing / understanding what competitors are involved and what is their offering, so that a strategy can be formulated.
D	- Prepare in advance meeting with all necessary info – you need to look as professional - Prepare sales strategy and right argument – sales tactic - Selling our product mean selling added value for customer - Win to win arguments
E	First and foremost, I go through the history of the sales leads: how and where they are from and are there one or maybe many prospects. After that, the history must know by heart. I also make a wish list: there are 2–5 points what I want to happen in a sales negotiation. In addition, I write down potential deal breakers which are forbidden. Deal breakers could be, for instance, the specific terms of the agreement or if the customer demands that (s)he wants to return the machine.
F	- "CRM known as X" analysis of case background - Case calculation, in terms of profitability - Follow up of agent, sales team info
G	Each sales negotiation is unique and, therefore, I keep an open mind. I'm ready for everything when I'm going to meet the customer for the first time. I'll find out the background, if it is possible. CRM is useful because there may be the long history of the customer. For example, the same problem could be arisen now than five years ago.

Appendix 5. The typical sales process

Person	Please briefly describe the typical sales process.
A	Is about offer and need, been well prepared and have all answers / support just in time, be confident and disciplined.
B	Enquiry / contact, first visit, technical discussion, offer, layout, discuss content and eventually price, revise if needed, eventually reference visit, final negotiation.
C	Contact from customer, discuss basic needs, arrange meeting at site, understand customer needs, our possibilities, layout space, competitor situation if possible. Make proposal, revisit customer as many times as needed, finalize layout and scope, make final proposal.
D	- Understand whole customer project - Budget - Finance (loan – cash) - What / who is competition - Delivery expected - How fast can be taken the decision to go - Offer- scope => solution needs to be well fine tune with customer before moving for nothing - Payment terms - Price list (no discount to this stage)
E	The typical sales process is: Get the lead. --> Discuss with the customer. --> Make the sales proposal. --> Follow up. There must arise a signal about an offer in the beginning of sales process. The first step is to contact customer either direct or via an agent. A proposition of an offer will be made on the strength of the contact. I think, however, that we still act too simply. We should listen the customer more closely and have an exact idea about customers' needs. Sales proposal should go through at least by phone with the customer. Customers usually check the price, not what have been offered, after they have gotten the proposal. The best would be to go through the sales proposal personally with the potential customer. The sales negotiation will be achieved after thorough investigation of the situation.
F	- lead->prospect->offer->argumentation->negotiation->closing - delivery->service->new inquiry->prospect…
G	Please see my next answer.

Appendix 6. The typical sales negotiation process

Person	Please briefly describe the typical sales negotiation process.
A	Depend on the mentality of customer, it can take 1–2 meetings, or it can take more, when platform is done: contact with customer, offering and additional material given, good feeling and deadline of the customer for negotiation, than is a right moment. Is about technical advantages, what will make them stronger in the market, and very often in addition is the price.
B	There is no typical situation.
C	There is no such thing as a typical process as it depends totally on the customer's needs, his business situation, his finance possibilities, grants requirements, competitor approach etc… Customers normally have an idea who they want to buy from and usually you will know you are the preferred supplier if discussion on price starts. If not, then you are on the back foot and need to chase the business. Even if you are the preferred supplier the customer will normally have an idea of what he can / wants to pay and if you are not close to his ideas then he will switch to the next cheaper supplier on his list.
D	- Know well our products and technical specification, be well prepared to share value of our product - Build up strong customer or technical customer party relationship - Share experience of "X" or stories – catch trust of customer - Convince - ROI
E	Please see my previous answer. I would also like to mention that understanding the process, negotiation skills and attitude are the most important issues. My attitude always is: ”Always Be Closing."
F	- Technical explanation-argumentation-proving (reference)-price & conditions-closing
G	At the first stage, I like to watch YouTube videos with the customer. The aim is that the customer understands what is the problem and where the problem occurs. We could watch the same video 2–3 times. In addition, there are marketing communications materials in negotiations. At the second stage, it is time to move on to detail questions such as: “How many per cent something will improve? What is the promise?” The goal is to assure that the technology is excellent. The image is very essential as well. You must be ready that the customer could ask everything in sales negotiations. The customer could, for instance, ask about millimetres, per cents or derivatives. In that case, there is always a chance to ask help, for instance, from the product specialists. Negotiations about price and terms begin when there are two options to choose from. Negotiations could be short one or lengthy negotiations over a period. In addition, cultural aspects have an impact on negotiations and the length of the negotiations.

Appendix 7. Mapping customers' needs

Person	How do you map customers' needs?
A	Gathering all info form customer, calculating and understanding his needs and most important, where he wants to be.
B	Mostly known due to 80%+ with existing customers – otherwise background check and listening when they talk about it directly or indirect.
C	Discuss in detail his business, try and get his production needs / scope, establish capacity requirements, check proposed machine location to see what is possible, select our most suitable product based on his needs and his finance possibilities.
D	- Listening is a must!!! - Understanding global project picture - What they look for - Company strategy and business expectation - To open talk on right product solution for customer
E	Customers' needs are mapped at the phases of "defining process" and "follow-up process". It is time to map when the basic information is clear and there is an outline of budget. The typical case is that the customer wants to buy from us but the specific parameters are not clear. As I mentioned earlier, I use the wish list, in which I list 2–5 points what I want to happen in the sales negotiation. I think the wish list should be used when we are mapping customers' needs. I highlight that if something is added to the offer and the price is still the same, then something should be removed from the offer. In other words, there should be a price in every change as well as the attitude: "I accept your suggestion, but only on my conditions."
F	- By questions, open style questions
G	We have a comprehensive database of references. References are an essential part of our process. For example, we make reference visits and calls because the buyer is not necessarily convinced of the sales representative. In addition, we could invite a potential customer to visit our factory and showroom. It is very typical that a potential customer could call the other customer who has / have had the same problem.

Appendix 8. Describing the solution for customers' needs

Person	How do you describe the solution for customers' needs?
A	When his needs are well understood, put yourself in customer shoes and tailor-made solution suitable for him.
B	In my area mostly technical with making Unique Selling Proposition (USP) in comparison.
C	Our proposal / quotation covers the chosen equipment together with required specs and technical info.
D	Of course, it depends. Technical description of the solution – specification – quality delivered…return of experience of other business case.
E	Please see my previous answer.
F	- Sales material, leaflet, iPad
G	Customer's needs are quite similar. The dilemma is that "X" types have developed. The aim is that the solution is as standardized as possible.

Appendix 9. Dealing with customers’ individual needs

Person	How do you deal with customers’ individual needs?
A	Customer is a king, and is always on place nr.1
B	This is where we make the difference towards competition.
C	You need to first find what his real needs are and sometimes he does not understand himself or has an idea that is not the optimum.
D	Customer needs to be accompanied step by step accordingly.
E	Please see my answer to question: “How do you map customers’ needs?”
F	- Find out decision makers and their role and weight in the decision. - By asking questions each decision criteria.
G	The sales representative should convince the buyer. For instance, the sales representative should convince that fixing / changing a broken part and a custom-made solution could be expensive. Therefore, the problem should be solved in different way. Customers do not necessarily understand that making a small part could be expensive. However, we could make the custom-made solution if it is possible to copy it to other customers as well.

Appendix 10. Dealing with customers' concerns

Person	How do you deal with customers' concerns?
A	Understanding them and bringing comfort to those, worry free is a key factor.
B	If possible by demo or reference – otherwise technical expertise.
C	Listen to all his concerns and try to find the unspoken concerns and then provide appropriate info / references that resolve / calm any concerns he may have. (if possible)
D	Any concern can get solution, customer can be for i.e. technically, financially supported.
E	An experienced sales representative should change the topic if the customer wants to talk about the price. You should know the time of delivery, terms of payment and terms of the agreement in the final cost estimate. We are justified to the change of the price if we remove something from the offer. You should never give a discount. I have a habit of keeping a notebook / memo with me during sales negotiations. I also use lot of aids such as flip charts or other devices. I write issues and changes down if the customer asks something (for example the price). I keep always the price and changes in view and updated. In addition, I take a photo at the end of negotiation. You can always check the situation from the photo, if needed. This is a very clear and a good way to act in my opinion. I would also like to say that things should proceed like this in ideal cases.
F	- Trying to find solutions.
G	Explaining and apologising are needed. References are also useful because it is essential to explain why our solution is the best solution. There could also be cases that the customer has misunderstood something after (s)he has signed a contract. Then the contract should be analysed. It is crucial to be very sensitive and to clarify the issue in order to solve the problem.

Appendix 11. Challenges in sales negotiations

1 (2)

Person	What kind of challenges do you have in sales negotiations? Please give an example.
A	Various different challenges, from customer good or bad day up to competition, technical feasibility, special solution package offer etc.
B	Customer threatening to buy competition or postpone the project by a year, old offers from years ago, unrealistic comparison with Chinese competition, very often rebates from other suppliers.
C	Always cheaper competitor prices as we are always more expensive by some margin, payment terms, his finance possibilities. Competitors lies and misinformation about our product, company and their own products.
D	- Unfair competition (lie, promises…) - Financial terms - Price - Delivery - Warranty
E	I think that a big – maybe the biggest – challenge in sales negotiations is that there is no common language. Lack of common language causes the challenges how to get the same view on the issue. Budget and terms of payment are always the big challenge in India. Date of delivery is a problem in Asia Pacific because shipping time is long. It is difficult to get customer to understand that the delivery cycle is even "Y" months. Time goes much too that the customer makes the decision and the process is in production.
F	- Our offering does not meet the need, we are too expensive.

(continues)

Person	What kind of challenges do you have in sales negotiations? Please give an example.
G	Every sales negotiation is unique and there will always be unexpected situations. A new issue and challenge is change of communication ways if we compare situation now and ten years ago. Back in the day, communication by phone succeed but nowadays the situation is different. It is difficult to contact people by phone. The other challenge is exact questions by the customer. For example, "Could you please tell more about the new technology compared to the technology 20 years ago?" I must admit that I do not have that much experience and, therefore, I cannot solve problems on the strength of knowledge. It is crucial to seek for the right answers asap if you cannot answer right now. There will always come challenges one's way. For instance, someone does not have a budget or someone change one's mind. It is essential to know that the customer is serious in sales negotiations. I think that sales is creation and maintaining of customer relationship. It is also important to accept that customers are not always responsive to hear the new ideas.

Appendix 12. Closing the sales negotiation

Person	How do you close the sales negotiation?
A	Reach mutual agreement on the value of our offering, is like a nice engagement.
B	Asking for commitment.
C	Focus on what the customer needs and try and provide what he requires in a clear concise format and go through all aspects with him.
D	- Fine tune scope by double checking items - Payment terms - Usually discount on price list - Delivery confirmation - Sales Agreement
E	Only the imagination sets the limit how to close the sales negotiation. There is not the only way because negotiations are very situation-related and a personal subject. It is going to be the "closing moment" (i.e. you can close the deal) in sales negotiations. I think that knowing this moment is partly talent but mostly knowledge. The principal rule is that do not go away when you are in a sales negotiation and it is the time that customer wants to buy. Instead, sit down and find solutions in order to close the deal.
F	- By summarising the arguments and matching the needs.
G	I must admit that I have a short experience and, therefore, a few sales deals. In my opinion, it is essential to be systematic and patient.

Appendix 13. Closing the deal

Person	**How do you close the deal?**
A	With positive attitude and customer felling he is doing the right thing for the future - here starts a nice marriage
B	Rephrase the agreed and shake hands - prepare contract asap or sign right away.
C	Usually a final discussion initiated by customer. You should normally sense the closing and not let it pass.
D	Small extra discount in case D.P received can be bigger or order placed within 2 weeks.
E	Please see my previous answer.
F	- By asking a closing question.
G	There are many tactics to close the deal. You can think what tactic suits the best in the current situation.

Appendix 14. The unsuccessful sales negotiation

Person	Please briefly describe when the sales negotiation is unsuccessful.
A	Often when there is lack of customer budget, when customer is fully dedicated to other supplier (long or friendly relation) etc.
B	N/A
C	Normally the customer stops taking your calls and will not then respond to you until it is too late. You will of course chase the customer in as many ways as is possible but normally once this has happened there is no way back.
D	- Loosing against EU competitor is the worst as price level of machinery is quite same. - Response time not good enough, delivery expected too short, finance not approved.
E	Sales negotiation is unsuccessful if the deal has not been closed. We have not understood customer's needs or they have been misunderstood if the deal has not been closed. There are no bad deals at all in my opinion.
F	- When we do not fulfil the demands of the customer.
G	Sales negotiation is unsuccessful if the customer begins to think another solution.

Appendix 15. Analysing / reflecting unsuccessful deals

Person	Do you analyse / reflect unsuccessful deals by yourself or with your colleagues?
A	Yes
B	Both. It is essential to learn from it and reflect for the future.
C	Yes, self-assessment is a very important part of your skill set and you need to try and learn from losses and develop new approaches to resolve errors or successes of competitors in future negotiations. You will also discuss / review with colleagues / superiors as and when needed.
D	Myself
E	We will sit down and have a little conversation if the deal has not been closed. The point is to go through the case. We will take a person from sales support along to these conversations. I do not accept the reason: "We lost because of the price." You should be honest to yourself. You should reflect, for instance, the issues as: "Why the price was not suitable?", "Did we offer the wrong process?" and "Have we misunderstood the customer?"
F	- Normally the lost case should be stored in CRM, but this ailing practice analyse / reflection does not happen regularly.
G	I tend to think why I lost the case. I have also saved the information to our CRM. I think you should give your reasons for the solution and you should also learn about that. It is easy if you find out the reason by yourself.

Appendix 16. New ideas of improving the present sales negotiation process

Person	Please provide new ideas of improving the present sales negotiation process.
A	There are various different factors, always listen to your customer, treat him form first shake hand like a long-term future partner, do whatever it takes to make cooperation possible and do not underestimate customer ever.
B	Sales people for an area look very stupid in front of the customer, asking to negotiate and close the deal, but have no signing power. Calculation of the Company X price is unknown – so how to defend the price is there is only a number?
C	Better demos online maybe, better payment terms, maybe possibility to offer good finance to close the package?
D	N/A
E	I think we have lack of knowledge and experience in the global point of view. We should understand more exactly the whole process what we are offering to our customers. I guess some are either too lazy or they have lack of training to products – they should know what are differences and specialties in our products compared to competitors' products. We should know what to offer to our customers in order to close the deal. The biggest problem is lack of negotiation skills in my opinion. Therefore, I have emphasised the training. We need the right training in order to increase self-esteem. We should drive forward negotiations by ourselves, not customers. Naturally, we would need more resources but, however, this influences not the negotiation process. The most important issues are understanding the product, negotiation skills and the attitude. My motto is: ”Always Be Closing.”
F	I think that using the present CRM is a new idea. In my opinion, sales is not the rocket science. For example, the sales courses are quite similar nowadays than ten years ago. Things have not enormously changed. The new possibilities are technologies and digitalisation. For example, our "X system". I think one possibility will be that there are possibilities to buy our products online in the future.
G	I have discussed with our CRM specialists. We do have continuous customer relationships. Therefore, CRM configurations should be improved. For instance, if the customer has bought us for a decade ago and now it's time to update. The challenge is where and how to get the information and manage the whole CRM process.