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CLOSING THE DEAL IN A BUSINESS-TO-BUSINESS SALES PROCESS

Degree Programme in Business Management and
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Myynti on edelleenkin kaikkein tärkein asia jokaisessa yrityksessä. Ilman myyntiä mikään yritys ei ole toimiva. Myynnissä vaikein asia on kaupan vahvistaminen. Jotta voimme solmia kauppvoja helpommin meidän ensin pitää ymmärtää mitkä asiat edesauttavat kaupan syntyä.

Myyntikirjallisuus usein käsittelee myyntiprosessia. Käytin viimeisintä myyntiprosessimallia ja liitin sen yhteen yleisen ostoprosessimallin kanssa, jotta on helpompi ymmärtää mitä myynti tilanteessa tapahtuu. Näiden kahden mallin lisäksi kirjallisuus käsittelee yritysmyyntin erityistä luonnetta kuten myös viime aikaista trendiä olla asiakaslähtöisiä.

Tämän tutkimuksen tarkoitus on paremmin ymmärtää kaupanvahvistamista yritysmyynti tilanteessa. Jotta ymmärtäisin aihetta paremmin tutkimuksen tulisi ymmärtää myyjien ajatusprosesseja ja logiikkaa myyntiprosessin aikana ja erityisesti kaupanvahvistamiseen liittyen. Tutkimus suoritettiin haastattelemalla kaikkia kohdeyrityksen myyjiä. Tutkimus yritys valittiin suuren markkina osuuden ja myyntivolyymien takia, sekä saavutettavuuden takia. Puolistrukturoidut haastattelut suoritettiin kahdeksan myyjän kanssa. Haastatteluista saatu data järjestettiin ja analysoitiin merkittävien löydösten saavuttamiseksi.

Tutkimuksen päähavainnoinnin mukaan henkilökohtaiset- ja yrityskohtaiset suhteet ovat erittäin tärkeitä kaupan vahvistamisessa. Sen jälkeen, kun firmojen ja avainhenkilöiden välinen luottamus on saatu vahvistettua, myyjä käyttää luottamusta rakentaessaan hyvää tahtoa neuvottelijoiden välille. Luottamuksen ja hyvätahdon takia, ostajan oletetaan neuvottelevan kauppaa rehellisesti, hyväksyvän puutteita myyjän taholta ja hyväksyvän hieman kalliimman hinnan.

Tutkimus keskittyy yritysmyyntiin myyjän näkökulmasta. Jatkotutkimuksessa olisi hyödyllistä tutkia asiaa ostajan näkökulmasta. Ostajan näkökulman ymmärtäminen antaisi arvokasta tietoa siitä, mikä todella mahdollisti kaupan vahvistamisen. Edellä mainitun lisäksi olisi mielenkiintoista tutkia yritysmyyntiä muussa kuin teollisessa kontekstissa. Esimerkiksi, kaupan vahvistaminen palveluyritysten myynnissä voi olla merkittävästi erilaista.

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Sales is still the most important role every business. Without sales, no business is viable. The hardest thing in sales is closing the sale. In order to close sales with more ease we first need to know how to facilitate the closing of a sale.

The sales literature often discusses the sales process. I used the the latest sales process model and combined it with a common purchasing model in order to better understand what is happening in a sales situation. In addition to talking about the two processes, the literature discusses the specific nature of business-to business selling as well as the modern trend to being customer oriented.

The purpose of this study is to better understand closing a sale in business-to-business context. In order to gain a better understanding on the topic I need to understand the thinking and logic of salespeople during the sales process and especially in the closing phase. The data was collected by interviewing the all salespersons in the case company. The case company was selected because of their market leader position in the maritime engine sector and thus has a large volume of business-to-business sales as well as because of accessibility. Semi-structured and in-depth interview were carried out with eight salespersons. The resulting data was organized and analyzed in order to find the key insight for closing a sale in the context.

Based on the main finding of the study, strong firm and personal level relationship with the customer is the key to being able to close deals. After the trust is established between the two firms and between the key people, the salespeople use that trust as a base to build goodwill with the customer. Because of the trust and goodwill, the customer is assumed to be more likely to negotiate the deal in all honesty, be willing to accept some seller flaws, and pay slightly higher price.

This study is focused on B2B sales from the seller's point of view. In a further study, it would be beneficial to study the matter from the buyer's perspective. Understanding the thinking process on the buyer side would give valuable knowledge on what really made the sale happen. In addition, it would be interesting to study B2B sales in other contexts than in manufacturing. Closing B2B sales in services might for example look a lot different.

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1 INTRODUCTION

1.1 Background of the study

I am interested in closing a sales process because I work for a global as a member of sales support team. In my work, I have noticed how hard it is to close a deal. The salespeople that are able to close deals are able to significantly increase the sales volume of the company and thus ensure that the company stays profitable. On the other hand, salespersons who seem to be in never-ending negotiation with the customer but never seem to get the deal. Thus, I am curious to know what enables salespersons to close more deal than others.

1.2 Purpose of the study

The purpose of this study is to better the closing of a deal. It is important to understand the sales process as a whole in order to know when is a good time to close a deal and to understand what factors prevent the salesperson from reaching the point of closing a sale. The actual phase of closing a deal is especially important because without the close the whole process of negotiating with the customer is in vain. It also required great skill from the salesperson to know when the negotiation is ripe for a close and when the situation requires further action and what that action is. Without sales revenue, every company becomes non-existent. Sales revenue is the lifeblood of any company and without it, there is no company.

The purpose of this study is to better understand the little nuances that a great salesperson need to have in order to move the sales process to a point where closing of the deal is possible and how the salesperson then uses insight to close the deal. I am especially interested in the essential insight that the salesperson has on the situation and the customer and how they use their insight in guiding them in the process of where they are in the sales process and what is needed in order to close the deal.

1.3 Positioning of the study

I will position my study to investigate closing a deal in B2B situations. Furthermore, I will focus on the phase of closing a deal from the seller's perspective. To me this is the most crucial part of the deal and often the hardest. This thesis is focusing on B2B selling and thus it excludes B2C selling. B2C selling is an interesting thing, but in this study, I am only interested in complex dynamics of B2B deals. Furthermore, in Finland, our economy is mostly supported by industrial exports and thus B2B sales play a significant role for the local economy. The study also focuses on the maritime sales. The case company has sales in multiple areas of travel, but main access to key respondents in this study are to the maritime sales of the company. The area is the second biggest sales area for the company with annual sales of over 2 billion euros.

1.4 Structure of the thesis

This thesis is comprised of five chapters, which are introduction, literature review, method, results and analysis, and conclusion.

The first chapter is the thesis introduction. It discusses the key motivation for this study. The chapter presents the purpose of the study is to understand closing a sale in B2B context and especially closing a sale. At the end of the introduction, the five main chapters of the thesis are presented and the essence of each chapter is described.

The second chapter of the thesis is the literature review and it presents the key findings of the conducted literature review that forms the basis for findings in the fourth chapter. The literature review focuses on sales as a function and especially on the sales process and the closing phase of a sale. The chapter concludes with pointing out the key issues that are still unknown about closing a sale in B2B context, which are the main points of emphasis on this study and hopefully the key findings and the main contribution of this study.

The third chapter discusses this study's method. It explains the choice of qualitative approach, case study method and in-depth interviews as the data collection methods.

Furthermore, the aim of the chapter is to give a clear description of the used method and the choice of the respondents. Moreover, to conclude the chapter analysis and findings of the study as well as the trustworthiness of the study are discussed.

The fourth chapter displays the result and analysis of the study. The aim of the chapter is to show how the empirical findings combined with the theoretical frame presented in the literature chapter lead to better understanding of the closing of B2B sales. The process of analyzing the data and coming up with findings was nonlinear, and the development of the main findings needed multiple returns to analyzing the empirical material. To be reader friendly, I have chosen to present results phase in a linear manner.

The fifth chapter summaries the key findings and concludes the study. This chapter evaluates how the thesis' research purpose has been met through discussing the contributions of the study as well as the managerial contribution. Suggestions for future research concludes this thesis.

2 CLOSING A SALES DEAL IN BUSINESS-TO-BUSINESS CONTEXT

This literature review chapter is to explore sales process and especially closing a sales process in a B2B context. In order to gain an understanding of the sales process, the developments in the process are presented in this section. In this chapter, the most often used model for selling, the ‘seven steps of selling’ (Dubinsky 1981, 30) is presented. As times change also the sales process had to evolve an update to the previous model called the ‘evolving selling process’ (Moncrief & Marshall 2005, 18) emerged. The later model includes elements that have changed in the sales process in the 15 years since the first model. This chapter also discusses the nature of B2B selling and how it differs from B2C selling as well. The chapter concludes with reviewing one of the most common purchasing models in the literature.

2.1 Sales process

I suppose selling has been around ever since people started trading with one another. However, it was not until a century ago until the initial early models on persuasion, selling, were created. Even with the early methods of persuading people to buy through mass marketing it was not until later part of the century before selling became professionally managed. One of the ideas that gradually evolved into a formalized sales process model is the ‘seven steps of selling’ model (Dubinsky 1981, 30). Originally the steps in the model are listed as: 1) find the prospect, 2) pre-approach, 3) approach, 4) demonstration, 5) the argument, and 6) the close (Moncrief & Marshall 2005, 13). Because the original model only had six steps, but the model is currently known as the seven-step model it is obvious that the missing step is a later addition. The importance of the seventh step, follow-up, is highlighted in the selling process especially when the intention of the seller is to form a relationship with the buyer. The seven-step sales process model is presented in Figure 1.

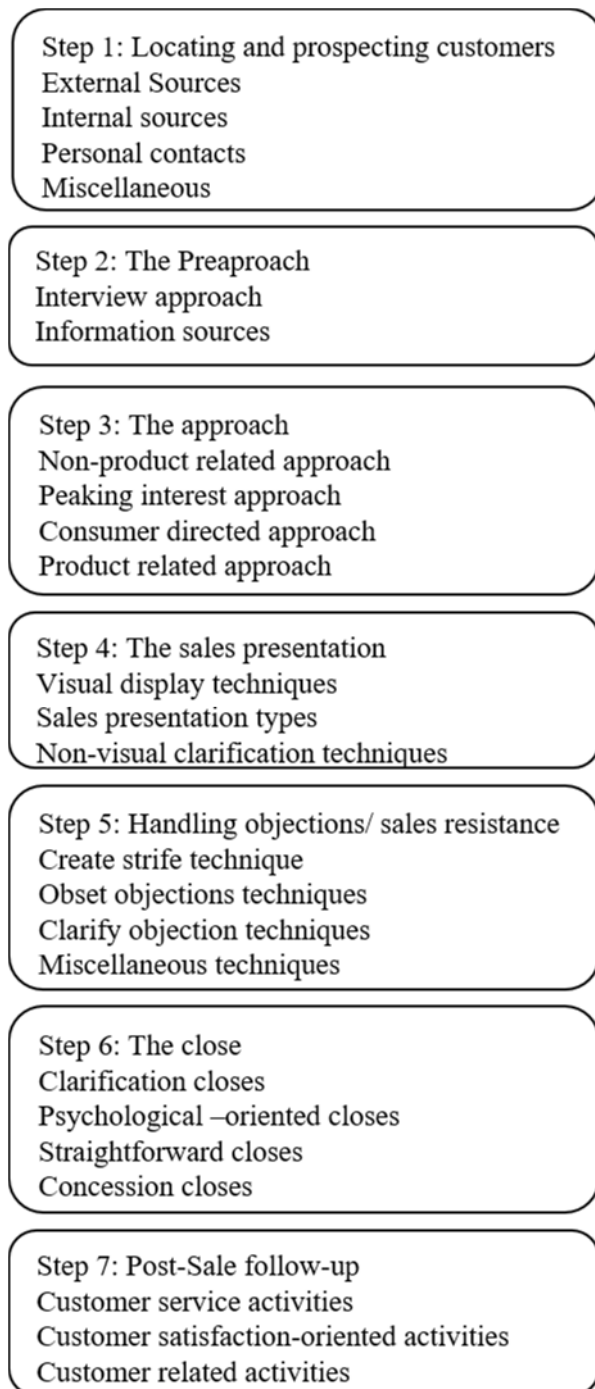


Figure 1 Seven steps of selling model (Dubinsky 1981, 32)

The steps in the model are: 1) prospecting customers, 2) the pre-approach, 3) the approach, 4) the sales presentation, 5) handling objections, 6) close, and 7) post-sale follow-up (Dubinsky 1981, 32). The first step, *prospecting*, means finding customers who might be interested in the product or service. Thus, these are the people or companies that the salesperson needs to spend his or her time on. The second step, *pre-approach*, means the preparation that takes place before approaching the potential

customer. The approach includes ways of researching the potential customers for information and ways of getting in touch in order to initiate discussion. The third step, *preparation* means doing a sales presentation. This also means a lot of low commitment level trials and demonstrations to demonstrate the greatness of the product or service. *Overcoming objections* mainly happens during the process sales negotiations. In the phase the seller tries to eliminate concerns or doubt that the customer has for making the deal. *Close* refer to agree on the purchase and making the deal final. *Follow-up* means receiving feedback from the customer. The feedback helps to improve the relationship and how the customer uses the product or service and thus increases the value of the deal to the customer.

The seven steps of selling model is a great model and hence it has received a lot of popularity in the literature. However, as demonstrated with the model, with the later addition of the seventh steps, it is necessary at times to review the basic assumptions of any model and to see if some of the assumptions made need to be updated. One of such models that build on the seven steps of selling is the evolved sales process model (Moncrief & Marshall 2005, 14). The evolved sales process model uses the seven-step model as the starting point and then tries to match it with changes in B2B since the publication of the last model. A list of things that have changed in the past 30 years and have affected selling are listed in Table 1 below.

Table 1 Evolution of the seven steps of selling (Moncrief & Marshall 2005, 16)

Traditional seven steps of selling	Transformative factors	Evolved selling process
Prospecting	Telemarketing Internet selling Organizational prospecting	Customer retention and deletion
Preapproach	Laptop account data Support staff	Database and knowledge management
Approach	Build a foundation	Nurturing the relationship
Presentation	PowerPoint/multimedia Listening Team selling Multiple calls Value-added Buying centers	Marketing the product
Overcoming objections	Predetermined needs	Problem solving
Close	Identifying mutual goals	Adding value/satisfying needs
Follow-up	Increased effectiveness of communication through technology	Customer relationship maintenance

Here are some of the main changes. First, others may do the *prospecting*. It may even be that the responsibility for the task is completely outsourced. Consulting or market research companies may be hired to discover new customer segments and customers. Second, *pre-approach* is a group activity that other people in the company can also perform. It is common nowadays to use social networks to find out more about potential customs. The *approach* means building personal relationship with people in the customer company. Before the approach was more presentetaion driven and now the relationship is more emphasized. Third, the possibilities of doing *presentations* are numeous. For example, the main company in this thesis uses virtual factory tours to demonstares how the engines are built. In addition, often times it is the technical group in the company that deliver the virtual presentation rather than the salesperson. Fourth, in overcoming *objections*, the salesperson makes honest attempt to understand the pains from the customer’s perspective in order to truly solve issues rather than merely trying to overcome objections in order to persuade the customer to close the

sale. Six, changes to *close* more emphasize long-term relationship with mutually beneficial goal. Gone are the days when selling was more transactional in that it was mostly exchanging the goods for money. The idea that both parties want a long-term relationship relies on the assumption the relationship is beneficial for both. Seventh, the ability to *follow-up* has increased significantly because of electronic communication and smartphones that enable people to be connected all the time. Thus, even when traveling internationally the salesperson is able to exchange messages with the buyer. (Moncrief & Marshall 2005, 15).

To summarize the main difference between seven steps of selling process and the evolving selling process in the solidness of the structures of the steps. The steps in the traditional seven-step selling process are described as solid and sequential, while the evolving selling process assumes that the steps are only covered in some form. Furthermore, the later process does not assume that all the steps need to happen everytime. (Moncrief & Marshall 2005, 14) Thus, it can be concluded that the current setting of closing business deal requires much more than just the seller meeting with the buyer to make the sale. People in both companies have multiple interactions with one another and many people are involved in the sales process even though the final sales negotiations might just be between small groups of people.

2.2 Business relationship

Both of the previously discussed sales process models greatly discuss relationships in connection with making sales happen. Thus, it is important to review what is meant by a business relation. Even though there is great amount of research about business relationships the very essence of what it really is is a subject of a debate (Grönroos 2007, 42). In the literature, a business relationship is described from different perspectives and thus the definition and the nature of the relationship greatly differs. Some take the long-term perspective and thus compare a relationship to marriage (Levitt 1983, 51). In keeping with the comparison to human relationship, others take the short-term perspective and describe a relationship to be more like a 'dance' (Wilkinson & Young 1994, 70). The dance perspective is a more of a transactional relationship, meaning that the customers only want the product or service but a relationship. In this thesis I use the definition on relationship: "a relationship has

developed when a customer perceives that a mutual way of thinking exists between customer and supplier or service provider” (Grönroos 2007, 36). Mutual way of thinking means that both parties are invested to the relationship. The basic assumption that the seller is always willing to enter a relationship implies that the power to decide about the level of relationship is decided by the buyer. Thus, the customer has all the power in the situation.

However, in situations where demand is very high and the supply low, the power is on the seller to decide if a relationship exists. Thus, the situational power is situation dependent. To further add to the conversation about term fuzziness some scholars define business relationship as “an independent process of continuous interactions and exchange between at least two actors in a business network context” (Holmlund & Tönroos 1997, 305). For the purposes of this thesis I define business relationship as relationship between two firms that requires a direct business engagement between them and the relationship starts when the seller and the buyer agree on a business contract and ends when the business engagement is stopped.

It is significant to notice how the focus in selling has changed from a transactional to more relationship based. These changes are basically the essence between the two sales processes presented earlier. Therefore, it is important to understand the main differences between transactional and relationship-oriented selling, and thus I will discuss the differences next. In general, transactional selling focuses on selling products or services immediately or very soon. The approach means that in a sales presentation the value of the product or service is explained to the customer, thus facilitating and hastening the purchase decision. This is often the appropriate method in situations, where the product is less important to the buyer. Examples could be meeting refreshment or working gloves in a manufacturing company. However, the transactional selling method fits poorly for a company’s key customers. By focusing on company’s key customers has helped researchers to focus more on the business relationship and thus create models like the relationship-selling model. The relationship-selling model involves creating value to the customer by addressing their main problems and thus finding new business opportunities. (Cron & DeCarlo 2006, 13). Table 2 shows the side-by-side comparison of transactional- and relationship selling models.

Table 2 The differences between transactional and relationship selling models (Cron & DeCarlo 2006, 7)

Transactional	Relationship
Emphasis on sales skills	Emphasis on general management skills
Responsiveness to customer needs	Proactive innovation/opportunity identification and offers
Good products, price and service	Value-based offers/ organizational enablers
Narrow customer focus	Broadened to customer's customers
Differentiation through products	Differentiation through people
Sales/revenue focus	Profit management focus/ share of customers
Traditional customer relationship	Trusted business advisor and partner

Like explained in the previous paragraph, transactional selling often has a short-term focus, i.e. it merely focus on imminent and individual transaction with the customer. In contrast, relationship-oriented selling has a long-term focus. In it the business engagement are expected to last far beyond a mere transaction. Thus, the course of action of the salesperson depends on the customer and type of relationship that is desired in the situation in question. For example, when negotiating a deal that involves complex products and services as well a very high price, relationship selling is much more appropriate than transitional selling. As a result, the key to sales success is to find the proper balance between transactional and relational selling (Cron and DeCarlo 2006, 15).

In deciding which selling approach is ideal in every situation, both the seller and buyer perspectives to the situation need to be considered. (Rackham & DeVincendis 1998, 72). In these situations it is first considered what the selleing firm wants to achive and how the sales sprocess is guiden in accordance with the firm aim. This is based on the assumption that the selling firm has a long-term plan on what they want to achive and that the salesperson knows the plan and work accordingly. After the seller company has its thing figured out it is time to focus on the customer. Customer-oriented selling is the “degree to which salespeople practice the marketing concept by trying to help customers make purchase decisions that will satisfy customer needs” (Saxe & Weitz 1982, 344). When it is preferred by the selling company to establish long-term relationships with customers, having a customer-oriented selling approach for the salespeople is a basic means to achieve the desired long-term buyer-seller relationships

(Schwepker Jr., 2003, 166). As there is increased focus on business relationships and especially on long-term relationships it is important that the salespeople have a good understanding of what customer-oriented selling means.

It is impossible to give a clear answer to the question when should the salesperson use a transactional and when relational approach to sales process. The correct answer depends on numerous issues like the situation, the customer, the desired relationship, and the complexity of the products or service. Thus, the main indicators for the decision are: when both parties are looking for a short-term business engagement, a transactional approach is ideal. However, when both parties are looking for a long-term business engagement, a relational approach should be chosen. In making the right choice in the matter, the salesperson is encouraged to actively evaluate the sales process and thus decide on the right approach. To truly have a customer-oriented approach, the salesperson needs to know the buyer's needs and requirements, as well as criteria for supplier selection (Ryals & Rogers 2006, 43). Moreover, knowing the customer's plan and intentions is very important for the salesperson for his evaluation of the situation and thus for reasoning in the decision-making process.

2.3 Business-to-business selling

B2B sales means sales made to other businesses or organizations, rather than sales to individuals. B2B sales often take the form of one company selling goods to another. For example, an engine manufacturer sells to a cruise ship manufacturer. Another good example of B2B sales is wholesalers that sell their products to retailers, who then turn around and sell them to consumers. B2B sales can also include services. Attorneys who take cases for business clients and accountant firms that help companies with financial audits are both examples of B2B service providers.

Selling B2B is different from B2C selling in many ways. First, in the B2B context salesperson regularly deal with either professional buyers, people who make a living getting the best deal possible from a purchase, or high-level executives, possibly even including CEOs of major corporations. As a result, B2B demands a higher level of professionalism. In dealing with corporate buyers, salespersons need to remember that most buyers have received extensive professional training on how to work with

salespeople. Selling tactics that work well on the inexperienced consumers will commonly fail with buyers, who are fully aware of sales tactics. Moreover, buyers know well how to manipulate salespeople and often may try tricks like stalling to get a better price. (Kortelainen & Kyrö 2015, 25)

Furthermore, dealing with owners is different. They can be very intimidating, as they may be annoyed when they think that salespeople waste their time. Therefore, a salesperson needs to know all about his product and do his research ahead of time on the prospect so that he is completely prepared to impress executives during the sales presentation. Thus, the importance of knowing the problems of the customer and being really customer-oriented is emphasized when dealing with the owners.

B2B sales differ from B2C sales in that B2B offerings usually have a higher price point, a longer sales process, and require many touchpoints to close deals. Due to the high price, B2B deals often require buy-in from multiple decision makers within an organization. As a result, B2B sales tend to be more strategic than B2C sales. Furthermore, B2B selling tactics often appeal to a buyer's rationality, while B2C selling tactics tend to appeal to buyers' emotions. Moreover, B2B customers are vastly more sophisticated than consumers, because their purchases are usually part of a complex supply chain and business model. Selling in B2B context requires the salesperson to understand products and people as well as industries, trends, organizations, and internal business processes. (Kortelainen & Kyrö 2015, 25)

2.4 Business-to-business buying

In discussing B2B selling, I think it is important to also discuss B2B buying to really get an understanding about what is going on in the process. Much like with organizational selling, organizational buying research has developed mainly in the last few decades. Furthermore, it has mainly been described from the professional perspective i.e. focusing on the phases that need to be covered and tasks that are done (Parkinson & Baker 1994, 75). One of the early definitions for the terms is that it is a set of actions and dynamic factors that begins with the identification of the trigger for action and concludes with the specific commitment to action (Mintzberg, Raisinghani & Theoret 1976, 248). Many have structured the phases of the organizational buying

process and most of them present models that are relatively identical. (Ulkuniemi 2003, 15). One of the most commonly used buying process is from the 1960s and it has eight phases that purchasing organization goes through. The steps are: 1) anticipation or recognition of a problem and a general solution, 2) determination of characteristics and quantity of needed item, 3) description of characteristics and quantity of needed item, 4) search for and qualification of potential sources, 5) acquisition and analysis of proposals, 6) evaluation or proposals and selection of supplier, 7) selection and order routine, and 8) performance feedback and evaluation. (Robinson, Faris and Wind 1967, 14) The eight step buying process is illustrated in Figure 3.

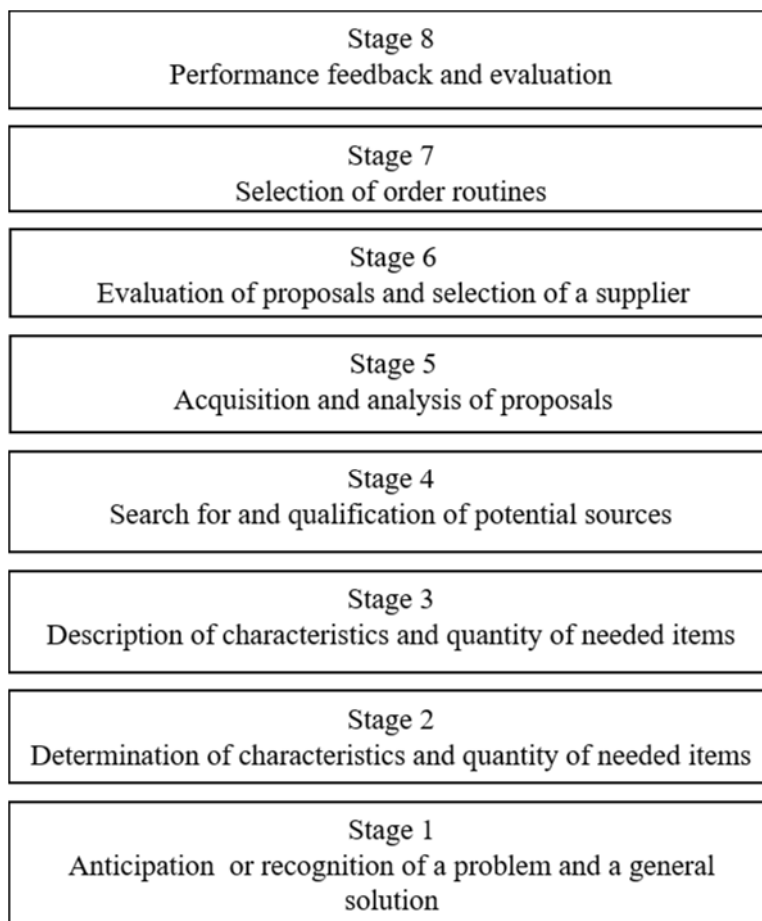


Figure 2 the steps in the buying process (Robinson, Faris & Wind 1967, 14)

Stage one, problems are recognized that start the need for a purchase. Stage two, a general understanding of what is needed to solve the problems is formulated. Stage three, more detailed plan is created for what is needed from the solution. Stage four, potential solution providers are searched and researched. Stage five, suitable solution

providers are asked for proposals. Stage six, the received proposals are evaluated and based on the evaluation a selection is done of the most suitable solution to the original problem. Stage seven, the way how the purchase is being done is planned and the first order is made. Stage eight, a model of how to buy is created for future purchases. There are two main points of critique why this eight-stage model is poorly suited for most purchasing processes. First, the eight-step model is very complex and thorough process and thus is unnecessarily complicated in most buying situations (Ulkuniemi 2003, 17). For example, in most transactional sales processes the model poorly describes the situation. Moreover, the second most common critique is that the model ignores services selling because it is too focused on goods (Wind & Thomas 1998, 34).

2.5 Summary of the literature

The literature has explained how sales people use 'seven steps of selling' model in guiding them how to conduct the sales process. As a result, the model forms the structure for how a salesperson approaches the sales situation. The 'seven steps of selling' was later updated with the 'evolved selling model', which better takes into account the relationship nature of modern selling. For simplicity reasons, however, in Figure 4 I will use the seven steps of selling model. Elements from the evolved selling model further used in the study, but for illustrative reasons they are not present in Figure 4. The main question in the study is how are salespeople able to agree on everything with the customer in sales presentation and handling objection in a manner that closing the sale is possible. Many salespeople are able to present the sales material and even handle some objection, but why are some great at closing deals while others are not is the big question.

The buying model is represented with the eight-stage buying model (Robinson, Faris & Wind 1967, 14). Just like with the selling model, the buying model in Figure 4 excludes a few steps and focuses on the interaction with the seller. It is important to understand the buying process in correlation with the selling process because in B2B sales, the buying company is also in an important process for their company and thus the buyer has to approach the situation with importance and care, which greatly affects

the process with the salesperson. When looking at the two processes simultaneously, albeit from the seller's perspective.

In most of the selling situation, the seller nowadays would like create a relationship with the buyer in order to ease future sales. Thus, in Figure 4 I have drawn a dotted line around the selling process and the buying process to represent the relationship between the companies. The line is dotted, compared to solid line, because in the context of this study, the buyer has the option of buying from various sellers and thus the buyer might not always want to have a solid relationship with the seller even if such a relationship could cost beneficial if all things go well. On the other side, it is reasonable that the buyer wants to avoid a relationship with a bad seller.

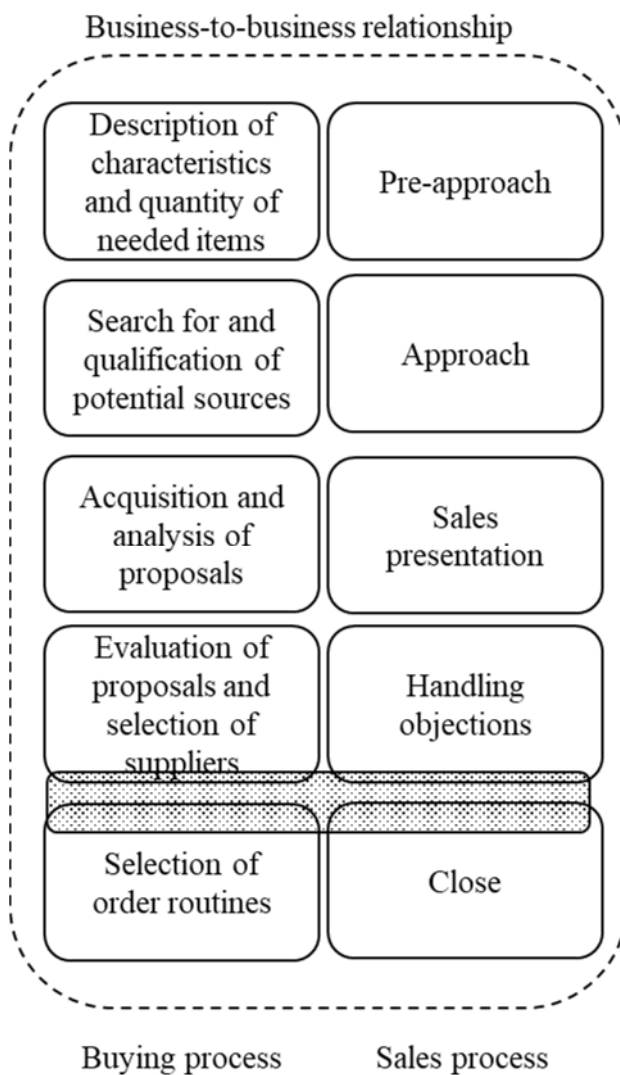


Figure 3 closing a sale in B2B context

The shaded area in the figure represent the interest in this study. From the seller's perspective, the main question in the sales process is "How do I close the sale?" Thus, the whole purpose of this study is increase understanding on how the salesperson is able to help the buyer to make the decision to buy from the seller. Thus, the purpose of the empirical study is to explain how the salespersons are able to close deals. What are the key requirement that facilitate the sale and what are elements that hinder the sale from happening.

3 METHODOLOGY AND REASEACH PROCESS

3.1 Qualitative research approach

There are two main approaches for conducting research: quantitative and qualitative. The quantitative research method uses numerical data to answer the research question(s). The data, in quantitative method, often is collected with one or several measurement instruments as surveys, observations and tests. As a result, the research method refers to the systematic investigation of an issue through statistical techniques. The qualitative research method, on the other hand, uses nonnumeric data to answer the research question(s). In qualitative research, the main point is quality over quantity and therefore the number of respondents can be small but it is investigated thoroughly (Eskola & Suoranta 2008, 18). Furthermore, in qualitative research, the main purpose is to gather an in-depth understanding of human behavior and the reasons behind it. In addition, the data collection is often performed with observation and/or interviews. With the prior mentioned data collection methods, the researcher is able to achieve deeper insight to a person's motivations and behavior (Glenn 2010, 95). I chose the qualitative method for this study because, for me, it is the best way to get more in-depth knowledge on how salespeople close sales.

The most common qualitative data collection methods are interviews, focus groups, and observations. After consideration of the study aims, I felt that data collection method of interviews would provide the best means to collect data. With interviews, I am able to understand how the respondents see the significant events in closing a deal. This enables me to gain a deep understanding on how vast experience is used to close a sale. I hope the approach, encourages the salespersons to open up and talk elaborately, thus enabling them to lead the discussion.

Group interview could have been a possibility if it was possible to get all the eight senior salespersons into one place. However, their work requires that they labor in their assigned geographical locations and thus it was impossible for all of them to come to Finland to participate in this study. Moreover, I was afraid that a group setting might have limited the responsiveness of some of the respondent as they might have turned up as passive member of the group and let the others do most of the talking. On the

other hand, a clear pro on having a group interview could have been the synergy that the respondents could have gained from one another. They could have continued others sentences and shared similar experiences with a sales process as other members of the group. I think that a group interview would have been a valuable way to collect data if it would have been possible to get all the salespersons to come to Finland and if it would have been possible to also interview them personally either before or after the group interview. I rejected group interview as the main method for this study because of the difficulty of getting all the people in the same location.

Using only observation technique is also unsuitable for the study's purpose. Because the closing of a deal is full of mental decisions, which are impossible to study through an observation. I have participated in several sales processes for Roll-Royce and I have observed some of the respondents, when they close a sale. In that sense, I had some observational data on how some the salespeople close their deals, but the main problem with the observation method is that with simply observing the sales meetings, I saw what was happening but I was unaware why the salesperson did and said what he did or said. This is why, I felt that observational method lacks the required depthness of data on why and how the salesmen acted in certain situation and how they used gut feeling that come from years of experience in similar selling situations and in some case even with same customers. The whole purpose of the study was to gain a deeper understanding of closing a sale for this purpose, I felt that I needed to interview all the salesmen and to gain insight and perception that only they have on what makes or break a sales deal.

3.2 Case study method

A case study is the method when 'how' and 'why' questions are posed or when the focus is on a contemporary phenomenon in real-life context (Yin 2009, 26). I chose a case study method because it enables me to go deep into the closing deals. The fact that I work for the case company ensured that I have access to the respondents. The method I used to collect the data was semi-structured interview with eight salespersons.

With a case study, it is possible to get deep into something and thus I felt that it would be beneficial to conduct a case study on B2B sales on this very company. With a case study, I am able to really go deep into the issue and focus on the relevant issues and thus gain new and insightful insight on the matter. Case study method is a useful for studying processes in companies and for explanatory purposes (Gummesson 2000, 51). In this study, I focus on the process of closing a deal. In this context, it is important to acknowledge that both the seller and the buyer have their respective task to accomplish i.e. to sell the best product or to buy the best product.

There are multiple variations of a case study. For example, one type attempts to draw general conclusion from a limited number of cases. Other type, the type I use in this study, is based on a single case from which specific conclusion are derived. Furthermore, case studies can be used for three types of purposes: 1) to explore, 2) to describe, and 3) to explain (Yin 1994, 52). In a research, the unit of analysis should be identified (Grunbaum 2007, 80). In this study, the case is closing a deal in the focal company's sales process. The unit of analysis is the sales process. Cases can be 'empirical units' (like individuals or organizations) or 'theoretical constructs' (like happiness or sales process). A case study is a method of inquiry in which the researcher examines in depth a process using a variety of data over sustained period of time (Patton 2015, 259.) "A case study is an exploration of a 'bounded system' or a case over time through detailed, in-depth data collection involving multiple sources of information rich in context" (Creswell 1998, 61). Particular events, occurrences, or incidence may also be the unit of analysis (Patton 2015, 262). The essence of a case study is that it tries to illuminate a decision or set of decisions; why they were taken; How they were implemented and what result. (Schramm 1971, ??)

A single case is often used when it represents a critical case or, alternatively, an extreme or unique case. Conversely, a single case may be selected because it is typical or because it provides you with an opportunity to observe and analyze a phenomenon that few have considered before. Inevitably, an important aspect of using single case is defining the actual case. For many part-time students this is the organization for which they work. A case study strategy can also incorporate multiple cases, that is, more than one case. The rationale for using multiple cases focuses upon the need to establish whether the findings of the of the fits case occur in in other cases and as a

consequence, the need to generalize from the findings. For the reason Yin 2003 argues that multiple case studies may be preferred to single case study and that, where you choose to use a single case study, you will need to have a strong justification for the choice

In order for case studies to produce trustworthy research, access, preunderstanding, and first-hand experience are vital. Preunderstanding refers to the person's knowledge, insights, and experience before starting research. Understanding refers to the improved insight emerging during the research. As a result, preunderstanding aids understanding of the research setting and the phenomena that is studied. Thus, a lack of preunderstanding may cause the researcher to spend long time merely collecting basic information in order to comprehend 'what is going on'. (Gummesson 2000, 59) Before I started my research, I had solid understanding about B2B sales due to over six years of experience in maritime sales. Every position I have had with the Rolls-Royce (RR) has been related to B2B sales in the maritime industry. Thus, I have a solid preunderstanding concerning B2B sales.

Due to my work assignments, I have seen the challenges encountered by the senior salespersons during a sales process. These difficulties excited my curiosity to understand how salespersons close deals more frequently and with better ease. Regarding to RR, the case company in this study, I have been involved in multiple sales processes as a member of the sales support team. In other words, I have been involved in multiple steps of the sales process and participated in many sales. In these sales processes, I have attended multiple meetings, as well as drafted, negotiated, and signed contracts. It can be concluded that I have been deeply involved in the case company. When studying this case, most of the information could have been unobtainable or at least poorly understood without being involved with the company and its sales processes. Thus, I consider that my preunderstanding related to this study is crucial in order to appropriately be able to collect and analyze the data.

I selected a case company, Roll-Royce, which does many sales and has a large market segment in the industry. I also wanted to have this specific company as my case because I had an access to the company and could easily interview all the senior salespeople at the company. Since this study is about closing a sales deal in B2B

context, it was vital that the company mainly to a large volume does B2B sales. Moreover, it is vital to have an access to key people involved in the company's sales processes.

RR a business established in 1904 and today designs, manufactures, and distributes power systems. The company has major businesses in the aircraft engines, the marine propulsion, and energy sectors. Rolls-Royce Marine (RRM) has its history and roots in many previous companies. During the 1980s A British manufacturing company called Vickers acquired businesses in the Marine Engineering sector namely Swedish Kamewa and Norwegian Ulstein. RR purchased Vickers for £576 million in 1999 for its marine engineering businesses. Since acquiring Vickers and naming it Rolls-Royce Marine RR has acquired multiple other marine engineering companies and thus it has grown a lot in market share. Today the firm has a wide range of capabilities in the marine market, encompassing vessel design, the integration of complex systems and the supply and support of power and propulsion equipment. The firm's marine product range is one of the broadest in the world as over 30,000 commercial vessels use the company's equipment. Based on the year 2016 results, RRM made up 10 percent of Rolls-Royce Holdings' revenues with sales of £1.3bn. However, the underlying profits were merely £15m. (Rolls-Royce website)

A typical sales process with the company lasts for about 6-12 months, after which the first delivery to the customer will happen the earliest at nine months after the sale. As a result, the sales negotiations take a long time and are very thorough on what is agreed as well as how the products are delivered and paid. In a deal, the agreement usually covers main engines for 1-10 ships and the monetary value of the contract is in multiple millions. Some deals have included engines for up to 50 ships, but those deals are unusual. In a deal, RR deals with a shipyard that has been commissioned by the owner to build a ship. As a result, the shipyard starts negotiate with all the supplier, including engine suppliers, and starts a bidding war on who gets the order. No one is directly negotiating with the ship owner. However, there is a possibility to provide owner benefits to the owner, because after they receive the finished ship from the shipyard the owner will use it for many decades. Thus, the owner also has some incentive to be involved on which supplier get the crucial deals.

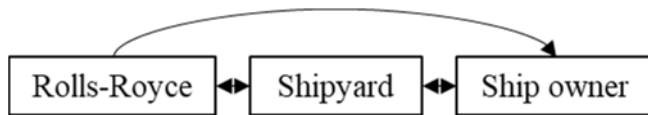


Figure 4 illustrates the RR's sales process.

The long arrow between RR and the ship owner represents the relationship with the owner and the owner benefits that the salesperson is able to offer. The arrows between the boxes represent the negotiations between the parties. While negotiating a deal with the shipyard, the salesperson also has to have all offers approved by RR, so in a sense the salesperson is also negotiation with RR itself on some deals.

The main product being sold is the engine and those are sold as configurable modules. This means that there are multiple standardized modules that for the engine. With the customer, it is then agreed that which standardized modules are then combines to form the customer specialized engines. Thus, the finished product does not exist during the sales process, but because the engine is constructed from standardized modules, the first delivery of customer specific engine can be delivered to the customer about 9-12 months after the sale is closed.

3.3 Conducting qualitative research

Table 3 shows the respondents arranged in order based on the interviews, the length of their sales experience as well as their assigned sales areas.

Table 3 The respondents

Name	Sales experience	Sales area
Robert Delogu	12 (years)	Europe
Tor-Gunnar Hovig	18	USA
Arve Ottersen	25	Asia
Erik Larsen	12	USA
Wells Lu	8	Asia
Mark Dumain	21	USA
Keith Tyler	17	Europe
Frank Neitzel	16	Europe

The respondents were first contacted via e-mail. The message contained a brief explanation of the study and its purpose along with an inquiry for the person to participate in the study. The e-mail also included a time estimate of about an hour for the interview. Even though the purpose of the study was introduced in the message, I did not give them the questions and ensure to the respondents that they did not need to prepare for the interviews.

The interview guide for the study was designed in accordance with the study aim, my understanding of the literature, and my preunderstanding. Using the guide helped in conducting interviews efficiently and systematically, while allowing free conversation around the topic (Patton 2015, 439). The interview guide had two sections: the first was concerned with sales process and the second with closing a deal. The first part focuses on understanding the sales process and what it entails. The second part more specifically deals with closing deal. Please refer to appendix for the interview guides.

I conducted a test interview in December 2015. The test respondent is a sales manager with over 15 years of experience in industrial B2B sales. The respondent does not work for RR, but work in the industry. The test interview was conducted to ensure that the questions are comprehensible and relevant. Based on the test interview, the wording in some of the questions was altered and some questions were deleted since they were repeating the same issue. Moreover, the interview gave an understanding of how much time is needed to properly conduct an interview. Furthermore, with the test interview I was able to polish my interviewing skills and practice how I can ensure that the quality of the interviews and is as good as possible. The actual interviews were conducted between January and March of 2016. Due to the amount of the questions, the interviews took generally about 40 minutes to complete. However, the time varied according to the respondent's talkativeness. The shortest interview was over in 27 minutes and the longest took nearly 50 minutes to complete.

During the interviews, I listened to the respondents attentively, looking for reactions, and observing which issues the respondents see as important (Gummesson 2000, 59). In doing so, it was possible to alter the interview's form, order of questions, and question selection according to respondent's comments. As a result, it was possible to

develop the interview guide throughout the process. At times and during an interview the order of questions changed according to the respondent's answers. Furthermore, they were freely allowed to explain their answers in their own words. When a respondent wandered off the subject, the conversation was guided back on track with a follow-up question. The use of the interview guide helped to prepare for the interviews and gave structure for the interview discussion, which helped to stay focused on the subject of closing a sale. Furthermore, the interview guide ensured that all the essential issues were covered. In addition, it later helped in the analysis as all respondents have discussed the same issues and thus making the individual interviews comparable. The interviews were recorded with the permission of the respondents. After the interviews were conducted, the recordings were transcribed.

The purpose of the interviews was to understand the topic of closing a sale from the perspective of the salespersons. The quality of the data from the interviews is fundamentally dependent on the interviewer (Patton 2015, 420). This is because with interviews, the data often is created by the interaction between the interviewer and the interviewee (Gummesson 2000, 38). As a result, I preferred to start with easy questions so that the respondent get into the flow of speaking. All the interviews emulated a conversation and the questions were open-ended. When needed, clarifying and unplanned questions were used to get deeper into some answers. The conversation was often very flexible, which enabled the respondent to go back and forth between topics and answers. Every respondent was given plenty of time to reflect after each question and sometimes that resulted in them commenting on something that they had said before. At the conclusion of each interview, the respondent was asked if they had something further to add to the discussion. Only few of them used the opportunity to give additional insights.

I am confident that my interviews were successful, because of the openness and talkativeness of the respondents. After the end of each interview, I thanked the respondent for participation and often they said that it was their pleasure and that now that they had organized their thought about closing a sale they now had some focused point for next time when they are in the sales process. In addition, they all offered to answer any additional questions that I might come up with while interviewing other or analyzing the data.

3.4 Data analysis

In order to give a simplified and chronological approach to my analysis I followed four phases in the analysis namely: 1) coding, 2) categorization, 3) analysis and 4) interpretation. In this section, coding and categorization are first discussed and then interpreting the data is explained. In the analysis, large quantities of data were reduced and reorganized in order to better understand it. With the help of analysis, data was organized in a manner that permits the drawing of conclusions and identifying themes.

The starting point for the analysis were the interview transcripts. However, to some degree data analysis was ongoing throughout the interview process. Formally, however, the data analysis began with coding and classification of data. To get the analysis going, I first used patterns, categories and themes to reduce the data (Creswell 2003, 76). In the reduction process, I was cautious in avoiding over reducing the data because it could have complicated understanding (Miles & Huberman 1994, 62). It took reviews of the transcripts to be done with coding and categorizations. With codes, I mean labels assigned to pieces of texts. These pieces vary from single phrases to even complete paragraphs (Miles & Huberman 1994, 71). With categorization, I mean the process of classifying coded units into groups of similar ones.

Categorizing is an action of organizing units of data into categories. The data can be categorized by coding rich theoretical categories from the data collected to find general ideas and phenomena. Categorization can start from prior constructs, deductive categorization, or the categories can emerge from the data, meaning inductive categorization. It is unnecessary to include all the data in the categories, merely the essential information (Spiggle 1994, 493.) In categorization of the data, themes like the sales process, building trust, and closing a deal formed the main themes. After coding the data directly to the copies of the transcripts, by using multiple colors of highlighters, the highlighted pieces of text would be copy pasted to a new word document for further analysis and categorizations. Because the respondents had freedom to move back and forth between topics during the interviews, it was necessary to rearranging parts of the transcribed data. Because I only marked copies of the transcript, it was later possible to check from the original transcripts that I had properly

used the pieces of data that were copied and pasted. After the final round of coding and categorization, analysis and interpretation followed.

The initial analysis of the data started when collecting the data. At some level, I compared the interviews in my mind and tried to look for similarities and differences between the answers and to find reason why. The formal cross-case analysis (Yin 2009), analysis between respondents, was started after the interviews were transcribed and coded. I analyzed the data from each respondent by using a three- stage process. Three phases are: 1) data reduction, 2) data display, and 3) the drawing of conclusions (Miles & Huberman, 1994). During the process, I used tables and matrixes to organize the data and to make sense of it, while avoiding over reduction of data. The main purpose of the process was to be familiar with all respondents before making any generalizing patters across all respondents.

My analysis and interpretation followed the guidelines of description, analysis, and interpretation. Description answers the questions ‘what is going on here’ and includes data consisting of observations made by the researcher. Analysis addresses question ‘how think work’ Interpretation addresses question of meaning and context: ‘what does it all mean’ and ‘what is to be made of it all’. (Wolcott 1994, 128.) I use the previously explained method in this study and as a result, in the next chapter I describe how each respondent answered to the main themes of the study. I will provide condensed responses and will provide relevant quotes when they prove a point and add something to the study. I do this in order to provide compact and organized information based on the original answers in a coherent manner. I try to do this, without losing any importance of what was said (Gummesson 2000, 88).

3.5 Trustworthiness of the study

The trustworthiness of a research always needs to be checked regardless of the approach of the researcher (Wallendorf & Belk 1989, 68). Validity is concerned with the findings and conclusions to be what they appear to be about. Assessing the validity and reliability involves 1) evaluating the researcher who has conducted the data collection and 2) examination, and the manner the data was collected and recorded

(Saunders Lewis & Thornhill 2007, 150.) First, in qualitative studies that have interactionism as an approach, validity is based on insights and deep understanding on the subject and contexts (Silverman 2011, 369). I have six years of work experience in B2B sales and especially in the case company context. Because I have worked in sales for years and especially with the case company, I might have some deep-down, bias that is unrecognized and it might have affected my understanding and analysis of the topic. However, to limit any possible bias I tried consciously to keep an open minds open and use all means possible to ensure an objective evaluation of the subject matter.

Second, the manner in which the data was collected is well discussed earlier in this chapter. I hope the discussion about the respondents, interview situations, and interview guide in the appendix will give reasonable description of the data collected process. Gummesson (2000, 43) explains reliability to be concerned about whether different researchers can come to the same conclusion when studying the same phenomenon. As a result, if other researchers are able replicate a study, the reliability of it is high. I am confident that if other researchers would follow my methodology that they would get similar results.

Triangulation across methods and sources has the potential of also improving the trustworthiness of the research process (Silverman 2011, 369). Wallendorf & Belk (1989, 81) state that triangulation can include e.g. material, informants and other literature as well. Triangulation in this study is achieved by during the interviews I summarized the respondents answer and asked if that was that, they meant with the answer to see if I had understood them correctly. I also compared the answers of a sales representative with the answers of another sales representative to see correlations and difference among the answers. In addition, I also evaluated the answers based on the literature review to see differences and correlation there.

I also acknowledge that there always are potential issues with the data that might limit my study. I realize that the respondents might draw a more attractive or simplified picture of the sales process than what the reality really is. It seems natural to assume that salespeople would prefer to stand out as successful in closing deals. However, because we work in the same company and I know all these respondents personally I assume that they were honest in describing sales situations.

4 RESULTS AND ANALYSIS OF THE STUDY

“If you don’t have good customer relations, you will never get the contract.” Hovig

4.1 Results of the study

All the salespersons agreed that before they visit a buyer the first time they have to do research on the client to see how to get things started the best manner possible. It was important to research how the customer’s ships are doing and who has been their engine supplier in the past. By evaluating these aspects, it was possible to understand what kind of engines were they looking for and how likely where they to change suppliers. When approaching current customer is was essential to research the RR’s own performance in the past to evaluate what has been working for the customer in the past and what areas need improvements and thus could be pressure points in starting to negotiate a new deal. Furthermore, if the salesperson did not know the persons on the buyer side that well, the salesperson often asked around to find someone who knows the buyers well to give valuable insight on how to best work with them.

When approaching the customer, salespersons all agreed that the reputation of the firm they are representing is vital for getting negotiations into a good start. Especially in the beginning, the firm reputation is often the only thing that the salesperson has to convince the buyer that it is worth buying from the selling company. All of the sales representatives agreed that it is very hard to get started with sales negotiations if the buyer has a strong negative perception of the selling company. Furthermore, the firm reputation was seen as a valuable asset in building relationship with the customer.

“Firm reputation is everything! At this moment, it is the most important thing that our customer has about us and if you have a bad reputation, he backs off.” Ottersen

All of the salespeople recognized that a good company reputation helps, but in a case of bad company reputation, the salespersons felt that they could make a difference for

the better. Thus is situations where the buyer has a negative perception of RR the salesperson uses his personality to overcome the initially negative situation. Mainly this is done by using the personal relationship with the buyer to overcome the initial resistance to deal with the seller. When the preliminary barrier is overcome then gradually, the seller will try to eliminate the bad experiences and replace them with positive ones.

Moreover, the salespeople try to adapt to the customer as much as possible. One the most frequently mentioned issue in making deal with the customer was to be as likeable as possible and speak to the customer in their own language. Some salespersons said that if they are dealing with customers that are technically minded then in it is very important to discuss the technical aspects of the engine in detail so that the customer can make a rational and fact-based decision. On the other hand, when the buyer is not interested on technical aspects of the engine then it is only annoying if the salesperson has multiple technical point that he wants to emphasize. Thus, the main point of the initial phases of the sales negotiation is all about building the relationship and doing things like the customer does. All this was done just to build ease of negotiations and friendly atmosphere around the sales process.

“The first time you should make a good impression, so that people want to meet you again. That is number one!”

Ottersen

When asked what makes them a great salesperson all of the respondents answered that mainly it is two things: 1) It is the salesperson ability to deal with all kinds of people and being great listener, and 2) in the long run the human relationships that have been built through the years in dealing with customers. Due to these experiences, the salesperson is able to understand the situation from the buyer’s perspective and thus understand what the key issues in getting the deal done are from their perspective. As a result, then the seller is not just selling but creating more of a solution based joint venture with customer. Thus, they all felt that personal experiences with the customer is the main thing that makes them a great salesperson when compared to for example a starting salesperson. In the end, and in this study, it is impossible to say if the buyers sees the seller as a great person and therefore buy from the person. However, from the

salesperson's perspective their people skills were considered a key part in negotiating and closing a deal.

As a factor that greatly influences sales in the maritime industry is the size of the industry. According to the respondents, the industry is relative small and hard to get into and thus the people working in the industry often meet each other throughout the years. In that sense, some of the salespeople did not think that there are any new customers in the industry. Especially the sellers that sell to more traditional and established markets felt that even if there occasionally are new companies due to mergers and acquisition, in the end there is always people from the old firm with whom the seller already has a relationship. Granted that the policies in the new company might differ from the old ones and thus the situation has some newness, but in the end, it is all about negotiating deals with already familiar people. There two salesperson that sold engines to new markets and they felt that there literally are new customer and new people to meet, but mainly the sales were done to established markets.

“We actually don't have new customers. I would say there could be a particular situation that there would be a new company built up, but in this company, there are always people from the old ministry, with whom I have had personal experiences, or I have heard about personal experiences.” Neitzel

Because most of the sales was done in tight market and especially because the salesperson felt that a central thing is doing sales is the personal relationships, the salespeople avoided anything in their interaction with the customer that could diminish the relationship. The fear of losing the relationship with the customer and ultimately the fear of bad word-of-mouth in the industry has made the sellers careful with their action with the buyer. Thus, at times when the discussion gets heated up the seller tries to play down the emotions and polarization of the situation by avoiding argument as much as possible.

“Often then you start to argue with the customer and he will hate you never call me again!” Hovig

In the process of negotiating a deal with the buyer, situation like direct rebuyes are considered easy because in them everything is already negotiated and thus there is no, or very little, need to negotiate. In rebuy situations, neither the seller nor the buyer

have interest in going over phases of selling or buying process. In these situations, both parties were happy with the outcome of the previous negotiations and thus everything is just repeated as it was done last time. There was the rare exception when closing the sale was described as easy. However, when a new product is sold or the amount of changes in the old agreement increase or the sales process becomes much more complicated and that is when both parties will increasingly use their perspective process models in order to get the deal done.

“When you have a new customer, -- you have to start very often from a scratch when it comes to commercial terms and that is sometimes a big, big challenge.” Ottersen

When a sale is negotiated, the salesperson and the shipyard first work to agree on the type of engine that is needed and best works for the intended purpose of the ship. Thus, the configuration of the modules is agreed and afterward the price of the selected configuration is discussed. As a result, the salesperson first will agree with the customer on what modules are combined in the engine. Then the financial aspects of the contract are discussed. After everything is settled then the salesperson tried to have the buyer sign the contract.

Negotiating the technical aspect of the contract was seen much easier than negotiating the financial aspect. The technical aspect negotiations merely deal with what kind of engine would be optimal for the ship being build. As a result, both parties are eager to find the solution and finding mutual interest is easy. Moreover, discussing technical terms still does not commit the shipyard to anything. However, it all changes when commercial terms are negotiated.

“To make the right commercial contract is probably the most difficult part of it and, I think that in our industry, it is the weak point with many who are going around doing sales.” Ottersen

All the respondents agreed that agreeing on great commercial terms with the customer was essential to closing the deal. They felt that a salesperson who is able to find the right price with the right terms for payments was the one who gets the deal. Thus, it was essential for the salesperson to read the customer and their financial situation on how to best advance the negotiations. Some ship building project, according to the

salesperson, are cancelled because banks do not finance ship owners. In these situations, and especially where the customer is considered a good customer, the seller tries to offer as flexible financial terms as possible to ensure that the ship building project is completed. However, at the same time it is important that the RR financial department approves the deal so that possible financial loss on a failed deal is minimized. In addition, the failed deal should also not burden the customer too much that the relationship stays on good terms.

Moneywise it is fixed that some customers buy on price only and all customers try to press down the price as low as possible. What comes to some customers buying on price alone, some of the customer are impossible customers for RR since the firm's product represent the high end of the maritime engine business and thus RR cannot compete with price. Thus, customer's that only buy on price were the hardest to sell to. When buyers press down the price maintenance promises and owner benefits are the tools that allow the salesperson room for negotiation. Reducing price will also reduce the amount of maintenance included. Again, in this point it was vital that the salesperson had a good feel of the customer in order to know what thing were important to the customer and thus where should the salesperson offer reductions and where to offer owner benefits.

When asked about how do they lead the purchaser or how can the purchaser lead the seller, no one really believed that either could happen. None of the salespeople admitted that they were tricked during the negotiations and they believed that there were very little that they could do to lead the buyer. Furthermore, it seemed to assume that the good relationship between the seller and the buyer would minimize such trickery in the negotiations. The salespeople assumed that when they have a good relationship with the customer the discussions are more honest in all aspects of negotiations. Thus, honesty was assumed to reduce leading people on or tricking them.

“I've never come across with somebody trying to lead you on. I know shipyards probably will do it a bit more, because shipyards are trying to squeeze their suppliers, but the owners, when you have a good contact with the owner he will be quite open to you, will tell you that we are going somewhere else.” Tyler

When the salesperson felt that there is honest attempt from the customer to find the best engine but it looks like that RR is not the option the salesperson looked into ways to be part of the race again. At this point the salespersons emphasized that if it looks like the deal is going to a competitor, they will ask the buyer if the sale was really lost. If the buyer responded honestly that the deal was lost then it was assumed that it really was lost. Yet again this was a point where the salespeople demonstrated that honesty will make negotiating contacts more straightforward for both parties.

The main closing technique that the respondents demonstrated with their answers was summary of checklist close technique. In this method, after the technical aspects were negotiated then the financial aspect was negotiated. After that, there was nothing more to negotiate and thus it was the time to close the sale. Sometimes the salesperson had to signal that there was nothing more to negotiate and it was time to sign the deal.

“A good strategy is for example of what has been discussed and if you make a check list of the items that we have agreed so far... and then you sum up of all the items that we still need to have to get a handshake”
Neitzel

However, often the shipyard still wants to continue the negotiation in order to reduce the price or to get more, but at some point, the seller just has to ask for the signature. Naturally, the shipyard will use all the supplier in the bidding war to get the best deal, but the duty of a good salesperson, according to the respondents, is to always ask for signature on the agreed contract. Especially on the situation where the buyer and the seller had agreed on many things and it was considered that it was just natural that the contract would be closed then and there and the contract would be signed. Thus, the salesperson need to be bold and say that there not really anything left to negotiate and now was the time to sign.

The respondents were unable to name a phase of the sales process that would be vital or essential in term of getting the deal closed. They felt that not being able to build the relationship would greatly reduce the possibility to close the deal, but were unable to name any phases that make or break the deal. Thus, it seemed that the overall relation with the customer was far more important than mastering a phase in the sales process.

“I think you can lose it all the way. I think if you start wrong, you might be hanging on, but you are never there, you are always one step behind, so all stages are important.” Ottersen

In the end, what makes or break the deal according to all the salespersons is the level of relationship with the customer. The better the relationship the more likely it is that the deal will happen. None of the respondents were able to name an individual sales thing or a phase of the sales process that will ensure that deal is closed in the end. In the process of making the sales presentations and negotiating the terms and conditions there is nothing that will ensure the deal gets done. Furthermore, there is nothing in handling objections nor a closing technique that ensures the closing of the deal that works all the time or most of the time. What was really mentioned as the key to closing a deal in the maritime industry was having good relationship with everyone in the industry and thus having people trust you and ultimately show goodwill with their interactions with others. This point was nice summarized by a respondent who said:

“I think it comes down to the relationship. If you don't have good customer relations, you will never get the contract.” Hovig

4.2 Analysis of the study

The main idea for the salesperson was to build trust with the customer in order to facilitate the sales process. Initially the trust begins with the customer having trust in the selling company. Thus, the salesperson tries to do such. Often this included presenting the long history of the company and the general reputation in the industry. After the trust in the selling company is established, the salesperson tries to gain the trust of the buyers of the buying company. This is done during the sales negotiations, as the salesperson tries to be as honest and forthcoming as possible. Moreover, outside the sales negotiations, the salesperson tries to be as social as possible. While being as social as possible the salesperson tries to get to know the buyer in a more personal level. Knowing more about the other people aids in finding commonalities and in building personal trust and goodwill. Based on the results the salesperson were unanimous that the personal relationships that they have with the key people in the

buying company are the essential thing to getting the deal done. Furthermore, they count their personal relationship with the key customers to be their main success point and that separates them from the poor salesperson.

The personal relationships are used in all the phases in the sales process. It was assumed that an honest buyer would be honest in all the phases of the sales process and that would greatly aid the negotiations. An honest buyer would tell the seller if they are a real possibility for the deal. An honest buyer would also agree on the price without being too hard on the seller. An honest buyer would also be willing to work around some problems with the seller in order to make things work. An honest buyer would also be straightforward in their thoughts and desires concerning the technical aspects of the engines as well as be reasonable with the price.

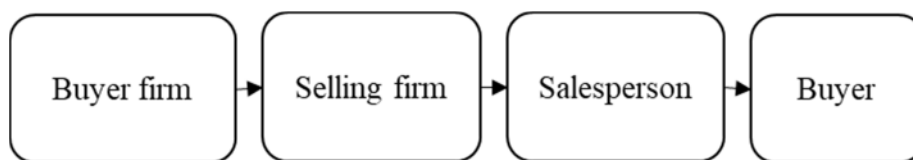


Figure 5 Line of trust

Even in losing situation, the buyer would be as graceful as possible to ensure a warm relationship with the buyer to aid any future sells to the company. The salesperson try to avoid arguing or upsetting the negotiations in any way thus ensuring that there is goodwill among the parties. All this gave an impression that companies do not buy from other companies. In the end, it is people that buy from other people. As a result, the personal relationships are the key in closing a deal in the end. Great personal relationships and trust creates a zone of goodwill around the sales process that the seller hopes will aid all the phases of the process and beyond. The trust in the relationship is mainly building in the sales negotiation and the goodwill is mainly build in activities outside the actual sales situations. For example, the salesperson invited the buyer to a sporting event or to a dinner, where their main point is to avoid discussing business related things and mainly focus on personal matters like hobbies and family.

The shaded areas in the Figure 6 represent all the areas where the salesperson's personal attributes could make a difference in making things go as smoothly as possible.

Everything start when it is evident that the buyer is looking for an engine. The salesperson the approaches the buyer and informs the buyer of the sellers' engines. This is the initial phase where the salesperson has the initial contact with the buyer company's personal in regards to the specific sale. The salesperson primarily tries to establish the reliability of the selling company. When the trustworthiness is established the salesperson proceeds with the sales process. The underlining message during the whole sales process is that the salesperson builds a strong personal relationship with the key people in the buyer's side.

Because the maritime industry is relatively small and there are only a few buying companies was well as selling companies, the buyer and the seller are already familiar with each other. Furthermore, when it is apparent that an engine is needed, the buyer already has a ready list of possible engine suppliers. The seller then already know that the buyer has an intention to buy an engine, but not necessarily from the salesperson. The first personal contact could have happened much earlier in time, but regarding the sales process sin question the initial contact happens when the salesperson arrives to the buyer main office the present that his company can do for the buyer.

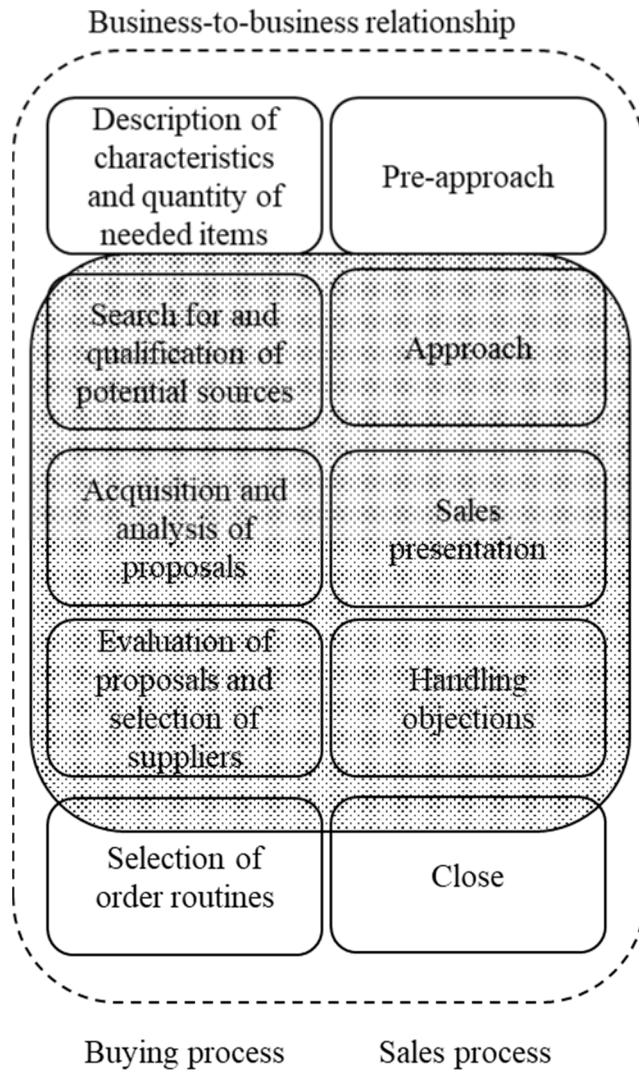


Figure 6 Salesperson's personal relationships

The personal relationship helps the salesperson in handling the objections. When the buyers have a question or a concern, it is assumed that the goodwill between the people will smoothen the situation. Meaning that the buyer would have less objection or would be more benevolent in expressing the concern. Furthermore, when choosing among the options of seller companies the buyer would be more likely to select the product that the salesperson represents. It is possible that the salesperson over emphasized the importance or relationship in closing a deal. It is possible that when they talk about relationship they mean more than just the personal relationship that they have with the buying firm's key people. It is possible that they talk about the overall relationship that the firm have in long history and mutually beneficial past

business sales. As long as everything is working well, there is no need to fix it. It is possible that I overemphasized the relationship that the salespersons talked about.

5 DISCUSSION

5.1 Summary of the study

The essential element for any company in order for it to survive is that it has sales. I have been working for a RR for almost a decade now on selling maritime engines. In the last 10 years of doing sales I have noticed that some salespeople have the skills and expertise on how to close deals while others do not. As a result, I have been much interested to gain a deeper knowledge on how some are able to close more deals and what is their secret in doing so. What do they now or do that others do not?

For the literature review of this study, it was important to review the sales process so see how the salespeople in a company approach the process of sales. The most popular way of expressing sales model was the 'seven steps of selling model'. It describes the phases that a sales process goes through before the sale is completed. The down side of the model is that it was linear and ignore the relationship nature of many current buyer-seller relationships. Part of the literature was also to study how buyers approach the buying process. This was import because it showed the process on coming to an agreed sale from both perspectives.

In this study, I wanted to get into the minds of the salespersons and understand the closing of a sales deal from their perspective. In order to do so I need to give the freedom to explain the situation and describe their thinking process during the sales process. To achieve this aim I used a qualitative method of semi-structured interviews that enabled a conversation-like discussion on the topic. The interview guide helped me in covering all aspects of closing a deal. Based on the quality of the interviews I am confident that all the essential aspect of the closing of the sale were discussed. The interview guide also helped in analyzing since I could arrange the answers to similar questions to form categories and to see progressive patterns on how the salesperson build the sales process up to the closing of the deal.

The results show that the salespersons valued the relationship that they had with the buyer as the best indicator to close the sale. As a result, the salespersons tried to use many means to build a personal relationship with the customer in order to build

personal trust that would in the end amount to goodwill between the two firms. This goodwill then in for to be like a glue to strength the relationship of the firms and thus make it more likely that the buyer would keep on buying from RR in the future.

The results also showed that in addition to the trust and resulting goodwill, it is important to solve issues and concerns along the way that in the end there is no objection and closing the deal is the natural solution as the result. Obviously, the goodwill goes a long way in smoothing concern and objection. There were also ways how RR could have flexibility in making the contact for example altering the level of service and financial terms. Because B2B sales is more technical, expensive and time consuming it the long process that requires a lot of attention and goodwill from both parties that will ultimately result to closed sales.

5.2 Managerial implications

Based on the study the relationship that the salesperson has with the buyer on the shipyard as well as the relationship with the owner is the thing that makes the sale happen. As a result, it is important that the salesperson be given sufficient possibilities to build a relationship with the customers. This is often hard because salespeople are supposed to sell and only the results matter, but often it is trough building a relationship with the customer outside the business negotiation that is what makes closing a sale easier. The relationship with the customer is comprised of many smaller elements like RR brand reputation, salesperson personal reputation, maintenance fairness etc. Therefore, it is essential for companies to make sure that everything is done with current customer s as well as possible in order to build stronger base for future sales.

5.3 Limitations of the study

The study is limited to business-to-business context. Closing a sale is much different when dealing with multimillion-euro maritime engine project when compared for example to a consumer purchasing everyday items. The whole customer behavior is different and the tools how the salesperson is able to close a deal are thus very different. Furthermore, in this thesis the focus was on products that are for the most part built

after the order so I imagine that the situation and solution would have been much different if the product or service would already exist and the deal is based on what is offered and not based on what could be built in the short-term.

5.4 Suggestions for further research

There are two main suggestions for further study. First, it would be important to go deeper into the actual phases of closing a deal by including the buyer's perceptions and reasoning for closing the deal. By adding the buyer to the situation, it would be possible to understand what the seller thought were the key issues in closing the deal. By adding the buyer's opinion, it would be possible to compare and contrast the ideological difference between the two parties and how.

Second, in any company the majority of its sales are done to its key customer and are by nature repeat purchases. So was the situation with RR and the vast majority of the completed sales were to existing customers and the sales negotiations required only a small effort from the salesperson. However, the biggest difficulty for a salesperson to close a deal was with a new customer where the field was open for business and there were no existing relationships, connections and previous satisfaction.

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Interview guide

What stages belongs to bringing new customers?

How you operate when visiting new customer for the first time?

How do you approach a new potential customer?

What stages are game changing when doing business?

What things do you always do when bringing in new customers?

What do you do when you feel that we are losing the contract?

What is the biggest reason for us to lose contracts?

What is the normal process for negotiations?

How to save a contract which we are about to lose?

How do you operate when price is the only factor preventing the contract being closed?

At what stage is the contract won?

At what stage is the contract lost?

Why should we let go of some contracts?

How to close the contract?

What separates failed and successful contract?

How important is the reputation of the company you are representing?

What are your biggest assets in sales work?

What makes you a great salesperson?

How often you meet an old acquaintance in sales negotiations?

What makes closing the contract difficult?

When is closing the contract easy?

What are the essential points in successful contract?

What tactics you use to get contracts?

How do the contract negotiations differ between old customer and new customer?

Which intuitions has your experience brought to you when closing contracts?

When do you know that now you got the contract?

Which factors tell you that you will not close this contract?

How do you lead the buyer into closing the contract?

What are your/our strengths when selling deck machinery?