

SOLUTION SELLING IN B2B: PERCEPTION OF SOLUTION SELLING IN CHALLENGING TIMES OF MANAGEMENT, SALESPERSON AND CUSTOMERS

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Abstract Globalization and digitalization have yielded new challenges in the B2B sales environment. Besides positive also negative effects appeared in the last decades. Customer behaviour is becoming more complex, and the rivalry between the firms is getting more aggressive. Especially product-centred firms strive to fulfil their financial targets. The actual situation of COVID-19 amplify this situation. This new challenge entails firms and salespeople to find new resilient ways to survive and overcome crisis's and resist the rivalry of competitors. The present article is based on the theoretical and extant literature of solution selling and customer solutions in different industries. Potential effects on solution selling will be discussed and contributed through empirical interviews with people in a leadership position in sales. This article analyses the individual perception of related stakeholders in B2B sales and will provide valuable insights on solution selling concerning their resilient attribute. This present review will contribute scholars on the existing literature and firms which are seeking for methods to distinct from competitors and to overcome crisis's. Finally, the gaps in the scientific literature will be discussed for further research.

Keywords:
B2B,
solutions
selling,
sales
performance,
crises,
recovery

1 Introduction

Sales has changed all the time over the years. The sales cycle on which the sales behaviour depends has changed more frequently in the recent decades. Globalization and new digitalization methods as well as the increasing complex customer behaviour brought salespeople in a challenging position (Saura et al., 2019).

Beside the increasing complexity in the sales environment also the economical complexity influences the sales behaviour. After the financial crisis in 2009, the economy is striving to survive the next crisis of COVID-19. Firms all over the world have to rethink their situation in the global market and try to find possibilities to recover fast from the crisis (Bond, 2020).

Through the globalization, firms were able to source their products from anywhere they want and resell it to other customer in the B2B environment. This is in general on the one hand an advantage but on the other hand for product-centred firms also a disadvantage.

Product-centred firms have less competitive advantage against companies which provide solutions. Such firms are mainly depending on the price of the product and are under the rivalry among existing competitors. These companies are getting more and more under pressure regarding margin and profitability (Reinartz & Ulaga, 2008).

To differentiate firms in the B2B environment, a possible workaround could be to transform the product-centred firm and especially salespeople to solution selling. Solution selling was recognized from scholars in the past and contributed that offering solutions result in increased return on sales (Worm et al., 2016). Existing literature on solution selling focusses mainly on the firm level (Koivuniemi, 2016). Scholars agree and argue that solution selling has top priority in B2B business and shall researched in depth (Guido, 2012). The actual market situation, in case of COVID-19, shows a reassessment of firms in general. In this aspect the competitive advantage will be a possibility to revive after the crisis. The first objective of this article is to analyse the extant literature in terms of solution selling. The second objective will be to gather empirical data to answer the research question. The

mentioned problem statement above leads to the research question which will be answered through the present paper.

Could solution selling help firms to be more resilient against crises?

The comprehensive review of the literature focus on solution selling and customer solutions in the context of B2B sales. The article examines the existing literature and contribute the findings with an empirical analysis. The author interviewed six individuals in a leadership position of salespeople. A non-target of this work was to perform a longitudinal analysis.

Finally, it will give potential approaches to the findings from the literature and provide theoretical concepts for further research.

2 Literature review

In the first step the author searched about “solution selling” and “customer solutions” from the extant literature. Therefore, a general research was done through the databases ABI/Inform, Google Scholar, ELSEVIER, EMERALD, SAGE and Springer. In the second term the author refined the search through a combination of search terms. This will be resulted to systematically findings on articles depending to the actual topic of solution selling.

Following to the first step the author evolved the different definitions for solution selling. Therefore, the author reviewed the extant literature about definitions. Definitions vary slightly, but the main message which comprise all definitions are properties like: individuality, complexity, integrity and interactivity. According these key words the main definition of solution selling could understood as follows: Solutions are individual activities to solve complex request from a customer through interactive adaption of a salesperson which creates an integrative additional value (Ahlert 2008).

Based on the literature definition as well as the review of 43 articles the author evolved 9 categories which will be in relation of solution selling. Within these elaborated categories the author establishes detailed questions regarding crises as well as difficult economic cycles.

3 Methods

These evolved questions were used for an empirical in-depth interview with six experts based on the concept of expert interviews (Wassermann, 2015). According Schütz (1972), an expert is a person with a profound knowledge about a specific area in his business. In the B2B context the salespersons could have two positions. On the one hand they are primarily the sales for the own company they work for but in case that they receive products from others, they could be seen as customers too. The author has an international network and contacted therefore different experts in different industries. To get also independent interviewees from Austria the author contacted an Austrian platform for salespersons. This institution is present in Austria as well as in Hungary and act as a consultant for firms in case of sales topics. Through the platform we conducted 10 salespersons. The resonance for an interview was given from two Austrian managers. In total the author attained so 6 interviewees which possess extensive customer experience. The interviewees are located in following countries: Austria (2x), Germany, Romania, UAE and US and work within the field of: Oil&Gas, Energy Sector, Construction Industry, Certification of products, Business Consultant and Process Industry.

The in-depths interview questionnaire comprises following categories: Demographic, General Topics, Product & Service, Customer, Sales Representative, Organization, Colleagues, Sales Performance and Education. All categories include five questions which are formulated as an open question. The open questions were constructed from the author, but the style of the question was used in dependence to the article of Krosnick (2018).

4 Results and analysis

The in-depth interviews unveil important insights about the actual situation in different industries. This article was established almost one year after COVID-19 appears and reflect the perception of the sales environment.

4.1 Demographic questions

In this section the author asks the interviewees for general information about their age, profession or obtained degrees. Most of the leaderships have additionally a sales position. On the one hand they have to take care about their salespeople and on the other hand they have to fulfil management targets. Their yearly turnover target is varying from € 1Mio up to over € 7 Mio. The interviewees have a good representative and are between 20 and 60 years old. The education is consistently high which represents a university degree. On the question which degree they have obtained, the author selected the interviewees with an evident mixture of technical and business degrees. The gender is may not fully representative in case that all interviewees are males.

4.2 General topic of solution selling

In the next category the interviewees were asked about their general knowledge about solution selling and the attitude related to the topic. These questions were asked in closed ones that means the answer could even be yes or no. Most of the interviewees confirmed to know basics about solution selling. They confirmed also that they use a kind of patterns of solutions selling in their daily business. Important to mention thereby is that the knowledge is more scratching on the surface than keeping profound background about this wide topic of solutions. Regarding the recovery in difficult economic situations, all of them except one respondent say that it is difficult to recover in their business and with their products.

4.3 Product and service

All interviewees have acknowledged that crises influence their product sales and business behaviour. The positive effect is that there is an opportunity to adapt their products or service to gain additional value for their customers. This is independent from the complexity of the product or service itself whereby five of the interviewees answered that their product is complex. To attain the customers attention all interviewee uses multiple channels to explain their products. Online channels are used to inform about instructions, videos or other features of a product. Nevertheless, the personal contact is utmost important to get trust from the customers and convince them on the product or service.

4.4 Customer

The communication with the customer has transferred more and more into digital technologies. Online communication is supporting to have access at any time and at any place, but to develop solutions the personal contact is indispensable. To evolve solutions, it is necessary to exchange ideas and concepts face to face. Many interviewees see that similar products are also available on the market. To keep ahead from the competitor, it is necessary to modify the product or service in any direction. If not, it would be only a differentiation in regards of the product price.

Decisions on the customer side will be taken through “Decision Making Units” (DMU). The interviewees argue that it is necessary to establish a partnership through different levels of the organization. Beside the relationship to the DMU, it is also necessary to understand the product or facility of your customer. The interviewees outlined that it is crucial to know the purpose of your customers application to establish a solution. They also confirmed that the customer would appreciate solutions which will end in a value-added product for both parties and underpins the importance of solution selling, specially to recover fast from difficult economic situation.

4.5 Sales representative

The actual situation of COVID-19 brought a new live in the sales behaviour. No personal appointments are possible, so meetings switched to nearly 100% into online meetings. At the beginning of the COVID-19 the situation was new for everyone, but within one year in home office and several lock downs the sales representative needs motivation and support from management to overcome this tough situation. The interviewees confirmed that their salesreps want to learn more about solutions selling. They think that if they knew more about solutions and use them in their daily business, it could help to attain their targets and may improve their sales performance. Adverse to the benefits, the sales representative will have to manage a higher risk if they use solution selling. This risk is in relation with the critical factors of the interviewees and may of importance for further research. The most critical factors which the interviewees see for their sales representatives are time, risk and knowledge.

4.6 Company

Companies which are set up product-centred, have difficult times in case of a crises. All of them confirmed, if there would be more diversity in their products or service it would be easier to recover. This implicates that the management has to invest in solutions, but deployment cost could prone the implementation. In this relation all the interviewees mentioned that on a long term, solution selling will increase the total performance of a firm. On the question, what a firm makes valuable, they answered in two ways. First, firms have patents on their product that means that a portion of the valuableness lay on the product itself. The more significant answer was, that the individuals of a firm which create ideas and passion are the most valuable factor of a firm. This supports the finding of the author from the literature.

In the literature there exists a gap in solution selling of individuals. Seen from the interview and the literature they are important to implement solution selling in a firm (Panagopoulos et al., 2017).

4.7 Colleagues

To get and better insight regarding the individuals, the interviewees were asked about their perception of the colleagues. Crises in general bring uncertainty which demotivate the people in a certain way. Important is to provide a positive outlook and motivation from the management. Most of the interviewees mentioned, that their colleagues are in general interested in solutions. The more people are involved in the value chain the easier it is to implement solutions selling in the organization. Salespeople are always depending on people from nonsales, this will contribute the team performance and could end in a better firm performance. Seen from this aspect, the interviewees confirmed that it is necessary to involve the nonsales into the value chain and attain customer experience.

4.8 Sales Performance

The performance topic is researched from scholars in the literature and is positive related if the firm trust on solution selling (Panagopoulos, 2017). The same feedback was received when the author was asking the interviewees. All of them argued, that on a long run, the performance will be higher or the recovery from the crisis will be

faster. On the question if solution selling shall be a Key Performance Indicator (KPI), the answers differ from interview to interview. This is a complex task, in case that normally the KPI's are related to pure figures. In terms of solutions, they have to consider additional soft parameters like relationship to the customer, potential savings, additional sales volume and others. The interesting finding on that topic is, that all of them could envision that in the future a KPI consists also on soft facts and not only on hard facts. This shall be kept in mind of scholars for further investigations on KPI's. Regarding the long run and performance increase, the interviewees stated, that it is always a up and down, especially in the industry sector where firms are depending on projects which will be supported by governmental incentives. However, if a firm adapts their products and service continuously the performance could be a cumulative sine wave.

4.9 Education

In the perspective of education, a crisis will be seen as a motivator. Many interviewees think to learn from the actual situation to be prepared for the next one. Education in solution selling is also seen differently. Some of interviewees say that they will need more training on sales management and will gain solutions through customer experience. Others argue that they want to learn more about solution selling from the professional side. This shows that the understanding of solution selling must be clarified and communicated from the management to the sales. All the interviewees acknowledge that education will have a positive effect on their sales. In general, education will be a sustainable factor in the business environment and is not depending on a specific industry and shall be implemented in every company as lifelong learning process.

5 Discussion

Solution offering was recognized from scholars in the past and researched in a broad way through different industries. The gap of solution selling in B2B is seen important for scholars and practioners especially in times where the economy will be unpredictable (Uлага & Kohli, 2018; Worm et al., 2017). Bond et al. (2020) analysed the impact of COVID-19 in relation to solution selling. Therefore, he raised seven topics which could guide practioners but also academics to adjust their strategy in case of solution selling on the organization level. His article is related to the literature

and do not show evidence in case of quality interviews of managers or sales representatives.

The present article contributes the actual literature and fit in a gap of solution selling which could help firms to create more resilient and sustainable sales strategies in difficult economic times. The in-depth interviews reveal unique insight in the sales environment of six international sales managers. Many companies have worries and ask themselves, how to recover from critical situations. The interviews show, that many companies are aware of the importance of solution selling or customer solutions. However, this is more scratching on the surface than using profound knowledge. These findings outline that the management is requested to provide the right environment for sales to act on solution selling. The author evolved the most depending factors which are time, risk and knowledge. It shows that beside the interest in solution selling of both organization and individual level, these factors will need investigation into the individual salesperson.

The critical factor of time was also recognised from Zoltners et al. (2010), who found out that only a third of the working time is used for pure sales activities. To create solutions for the customer the sales representative need time to attain the decision makers as well as the people behind the customer organization. Furthermore, the salesperson needs more time to understand the customers' needs and work in a partnership with the customer on a long-term strategy.

In relation to the product, the majority answered that their product or service could be adapted in any way to provide a customer value. The finding shows, that from the product or service point of view the companies have great potential to create customer value and implement customer solutions. In times of digitalization these solutions could easily presented and communicated. The potential is in the most cases present but must be revealed by the management. The empiric findings give evidence on the research of Salonen et al. (2020), who stated that people have to be engaged for solution selling. This engagement for solution selling could also help to motivate salespeople in difficult times of economic crises. As the interviewees argued that over a longer period the motivation declines, the knowledge of solution selling could help to overcome and recover faster from the situation.

6 Conclusion

This paper discusses the basics of solution selling in a B2B environment in relation to unpredictable market situations. In detail, the paper gives unique insights on possible resilient factors of firms which could help to overcome crises in better way or to recover faster. This was possible by interviewing six international salespersons through in-depth interviews. This empirical paper increases the evidence that solution selling will have a positive long-term influence on the firm performance. In case of unpredictable market situations, the author evolved relevant factors like time, risk and knowledge which influences sales performance. Successful implementation of solution selling shall therefore consider resources and capabilities as customer expertise, knowledge and education.

Beside the findings there are also limitation to mention. The author note that the number of interviewees is too less to provide and general statement on solution selling. Further research shall be done through a survey and dedicated to specific industries. It could be also good to repeat these interviews after COVID-19 to compare the answers and perception of the interviewees.

Beyond the organization level changings which was recognized from the interviews, the contribution to academic literature is that the salespeople contain a big potential for solution selling. These findings support the extant literature which mainly focuses on the organization level (Panagopoulos, 2017). In general, the solution selling method is interesting for scholars and practioners. Form the empirical research, the author got evidence that further research shall be done to evolve the factors of solution selling on indivual salesperson level. This will contribute the sales environment for the next sales generation which drive new ideas in sales and will help to close sales deals for their firms.

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