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Unraveling Adaptive Selling: An Empirical Analysis Of Underlying Relational Behavior

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Problem of Practice

Salespeople are known to adapt their selling behaviors to specific situations.

Consequentially, relevant sales management challenges include:

1. **Limiting individualistic behavior** of the salespeople¹,
2. **Aligning the individual selling approaches** to overall customer positioning strategies², and
3. **Developing selling capabilities** that result in better sales performance³.

With a widespread industry adoption of pre-packaged sales management applications⁴, current practices rely heavily on monitoring sales activities as a lead indicator for sales performance.

¹Mulki, Jaramillo, & Marshall, 2007

²See Behrman & Perreault, 1982

³Challagalla & Shervani, 1996

⁴Forrester Wave™: Sales Force Automation, Q2 2007, Forrester Research

Extant Theory and Gaps in Knowledge

“**Adaptive Selling**¹”, an extensively studied phenomenon in personal selling literature over the last few decades, is the closest explanation for diverse selling behavior.

However,

- **Context:** Adaptive Selling was originally conceived as an ability of the salespeople to adapt their behaviors within the context of a selling opportunity,
- **Utility:** Studies using adaptive selling as a predictor to sales performance have, at best, shown mixed results².
- **Relevance:** Antecedents, used in these studies, are typically personal traits which tend to have lower relevance to ongoing sales performance management practices.

Despite 25+ years of research, work is still required to add specificity, define its antecedents, examines its outcomes, and empirically measure adaptive selling³.

¹Weitz, Sujan & Sujan, 1986

²Giacobbe, et al, 2000; Franke & Park, 2006

³Park & Holloway, 2003

Preliminary Qualitative Study Findings

Primary research questions were:

1. What aspects of selling do salespeople adapt across different situations?
2. What are the antecedents and consequences that are of significance to sales management practice?

Based on our qualitative research, we identified that in B2B environments involving *complex, customizable solutions*¹, salespeople predominantly craft their *relational selling behaviors (RSB)* in:

1. Building required level of **trust** with their buyers and
2. Tailoring a solution in order to add **value** to buyers' business in order to differentiate themselves from the competition.

Trust and value are two fundamental blocks in relational marketing literature².

In practice, such selling styles are referred to as “relational selling” and “solution selling”³.

¹Tuli, Kohli & Bharadwaj, 2007

²Sheth & Parvatiyar, 2008; Sirdeshmukh, et al, 2002; Ulaga & Eggert, 2007

³Thull, 2003; Boswerth, 1995

Highlights of Quantitative Research Design

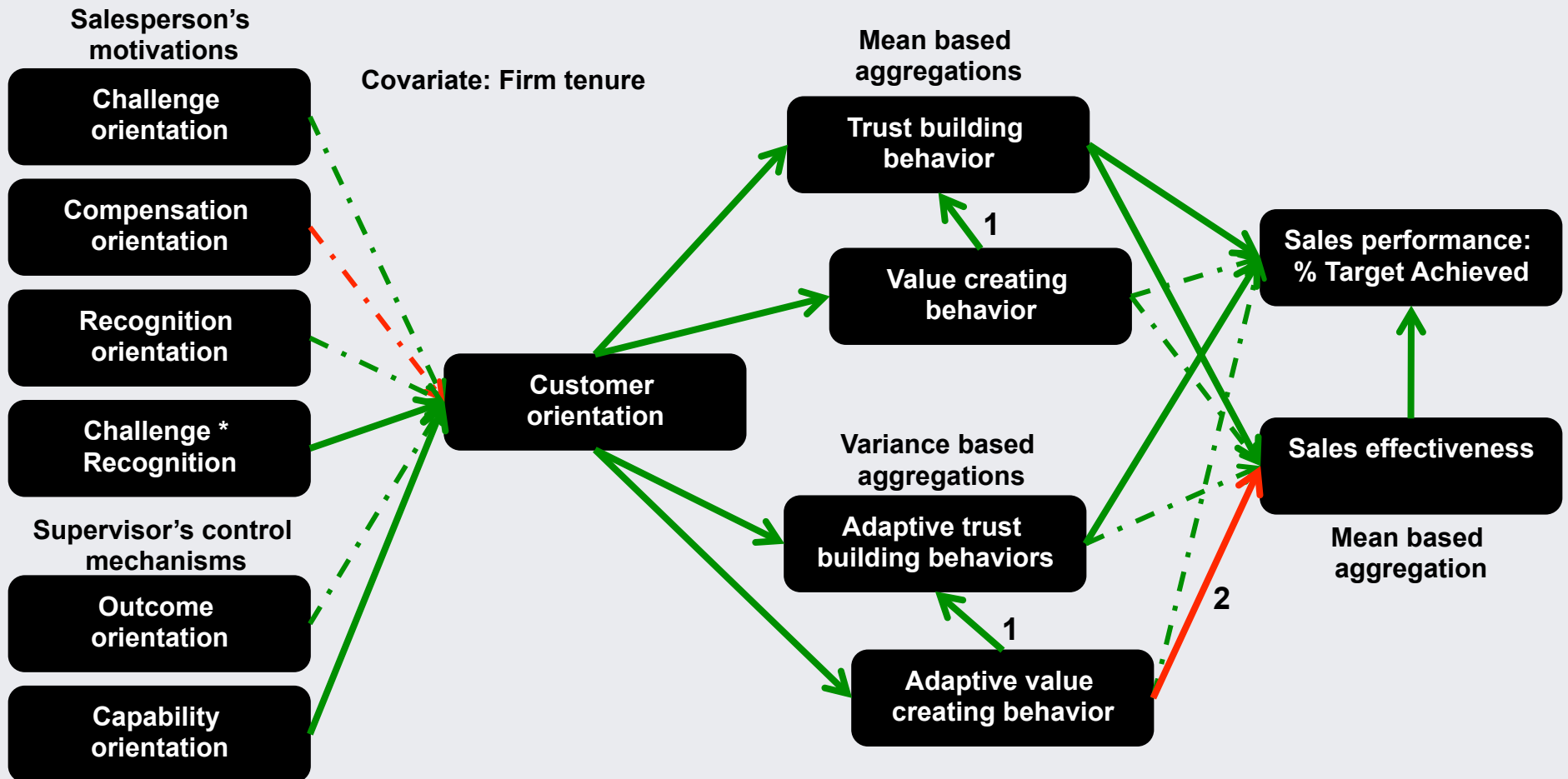
- **New scale development** for the relational selling behavior constructs (i.e. trust building behaviors and value creating efforts).
- **A new taxonomy of buyer relationships** was developed to collect data from each salesperson, nested using balanced, repeated measure design.



- As a **specification technique**, RSB was then aggregated within each salesperson, across customer relationships
 - as *a mean* to indicate representative sales behaviors for each salesperson; and as *a variance* to indicate the variability or adaptive capacity across different relationships.

¹Based on March's (1994) Decision making logics; Johnson & Selnes (2004)

Final Model and Data Analysis



Model fit: χ^2 (df) = 48.67 (25), Sig. = .00, SRMR = .08, IFI = .95, TLI = .91, CFI = .95, RMSEA = .07, LO90-HI90 = .05-.13, Pclose = .40

Legend:

Solid lines denote paths significant at p-values < .05, positive effects in green and negative effects in red.

¹Effects shown were found "post hoc". ²Actual effect was the opposite of the original hypothesis.

Findings

1. Only a combination of challenge and recognition orientations, but not individual dimensions, had a positive influence on customer orientation.
2. Supervisory capability orientation encourages salesperson to be customer oriented.
3. Customer orientation had positive effects on both relational behaviors (i.e. trust building and value creating efforts).
4. Customer orientation also had positive effects on salesperson practicing adaptive selling, by varying the relational behaviors appropriate to the relationships they maintain with their buyers.
5. Higher levels of trust building positively resulted in both outcomes measured.
6. Adaptive trust building led to salesperson's overall performance, but had no significant effect on sales effectiveness.
7. Higher levels of value creating had a positive effect on trust building efforts, and therefore an indirect effect on both business outcomes measured.
8. Adaptive value creating efforts had a negative effect on sales effectiveness, indicating higher efforts to customize offerings may have associated costs.

Implications and Future Work

Research Implications:

- Extended conceptualization of relational selling behaviors as trust building and value creating efforts.
 - Socio-economic perspectives of relational marketing were considered to be hitherto lacking in selling literature¹.
- Empirically measured adaptive selling capability as variations in relational behaviors across customer categories.
- Established differential validity between the two behaviors.

Managerial Implications:

- Relational behaviors framework might enable managers to monitor and manage salesperson's capabilities.
- This framework might also be used to align individual selling strategies to organization's customer segment specific positioning strategies.
- Sales training can be enhanced to include better identification of customer categories and appropriate adaptive selling techniques.

¹Lambe, Wittman & Spekman, 2001



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Thank You!

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