**Aalto University
School of Business**

The Effect of Value-Based Selling Activities on Sales Success

Marketing

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Abstract

Value-based selling and its key methods have been characterized as an effective way of selling in the existing literature. This is assumed to be due to the fact that an explicit indication of value makes customer's purchase decision easier because the investment can be reasoned with rational arguments. Typical value-based selling tools are value calculators and reference cases.

However, regardless of the strong theoretical support for the effectiveness of value-based selling, no research thus far has empirically and with actual sales data examined what kind of effects value-based selling activities have on sales success. These effects are studied by using sales data of a B2B company operating in marketing services business. Value-based selling activities studied are the use of value calculators and reference cases, and the data was collected from an electronic sales meeting platform as well as from a CRM system. Hypotheses are tested with quantitative analyses on a sales meeting level.

Findings show little support for value-based selling's hyped effectiveness as a sales method. Main findings show that using a value calculator decreases the duration of sales process. However, the results also show that using a value calculator does not affect the probability of a sales deal – the customer's purchase decision was thus independent from seeing a value calculation of the offer. Findings also suggest that the higher the value of a sales offer, the less likely it is that a value calculator is used suggesting that the use of a value calculator does not depend on the customer's preferences or purchase style but on the sold offer.

The study suggests that value-based selling methods are not suitable in all kinds of business environment and for all kinds of products or services, or at least companies should not count on their effectiveness. If value-based selling methods are ineffective, more simplified sales pitches or more emotionally-laden sales arguments could be justified to achieve better sales outcome.

Tekijä	Jami Sjöblom		
Työn nimi	Arvoperusteisen myynnin aktiviteettien vaikutus myyntimenestykseen		
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Tiivistelmä

Arvoperusteista myyntiä ja sen avainmetodeja on kuvailtu tehokkaaksi myyntitavaksi nykyisessä kirjallisuudessa. Tämän on oletettu johtuvan arvon tarkasta osoittamisesta, joka helpottaa asiakkaan ostopäätöstä, koska investointi voidaan perustella rationaalisilla argumenteilla. Tyypillisiä arvoperusteisen myynnin työkaluja ovat arvolaskurit ja referenssit.

Vaikka arvoperusteisen myynnin tehokkuudelle löytyy suurta teoreettista tukea, tähän mennessä ei ole tutkittu empiirisesti ja aidon myyntidatan avulla, millaisia vaikutuksia arvoperusteisen myynnin aktiviteeteilla on myyntimenestykseen. Näitä vaikutuksia tutkitaan käyttämällä markkinointipalveluiden toimialalla toimivan B2B yrityksen myyntidataa. Tutkitut arvoperusteisen myynnin aktiviteetit ovat arvolaskurien ja referenssien käyttö. Data kerättiin elektronisesta myyntitapaamisalustasta sekä CRM-järjestelmästä. Hypoteeseja testattiin kvantitatiivisilla analyyseilla myyntitapaamisen tasolla.

Tutkimustuloksissa löytyi vain vähäistä tukea arvoperusteisen myynnin hehkutetulle tehokkuudelle myyntimetodina. Päälöydökset osoittavat arvolaskurin käytön vähentävän myyntiprosessiin kuluvaa aikaa. Tulokset kuitenkin osoittavat myös, ettei arvolaskurin käyttö vaikuta kaupansynnyn todennäköisyyteen – näin ollen asiakkaan ostopäätös oli riippumaton siitä, näkikö hän tarjouksen arvolaskurin vai ei. Lisäksi tulokset osoittavat, että mitä korkeampi tarjouksen arvo, sitä vähemmän todennäköistä on, että arvolaskuria käytetään. Tämä viittaa siihen, ettei arvolaskurin käyttö ole riippuvainen asiakkaan preferensseistä tai ostotyylistä, vaan myydystä tarjouksesta.

Tutkimuksen mukaan arvoperusteisen myynnin metodit eivät sovellu kaikenlaisiin liiketoimintaympäristöihin ja kaikenlaisiin tuotteisiin sekä palveluihin, tai ainakaan yritysten ei tulisi luottaa niiden tehokkuuteen. Jos arvoperusteisen myynnin metodit ovat tehottomia, yksinkertaisemmat myyntitavat tai enemmän tunteisiin vetoavat myyntiargumentit voivat olla perusteltuja, jotta saavutetaan parempi myynnillinen lopputulos.

Avainsanat arvoperusteinen myynti, myyntiprosessi, arvon kommunikointi, arvon perustelu

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1   Introduction

It's almost like taking the sales out of selling.
(Terho et al. 2012)

Customer value has long been recognized as a fundamental part of successful businesses. Over the past decade, scholars have advanced our understanding on customer value and the key dimensions of the value construct in business relationships (Khalifa, 2004; Sánchez-Fernández and Iniesta-Bonillo, 2006; Terho et al. 2012; Töytäri et al. 2011; Zeithaml, 1988). It is widely recognized that value-based selling activities and methods have a positive effect on sales success (e.g., Porter, Wiener and Frankwick, 2003; Predmore and Bonnice, 1994; Terho et al. 2012; Töytäri et al. 2011). This is assumed to be due to the fact that an explicit indication of value makes customer's purchase decision easier because the investment can be reasoned with rational arguments. Typical value-based selling tools are value calculators (Anderson, Narus, and van Rossum, 2006) and reference cases (Salminen and Möller, 2006).

Value calculators are usually calculations about the sales offering's value-in-use or return on investment (ROI). Oftentimes these value calculators are simple spreadsheet calculations that use common mathematic operations such as the basic +, -, x and ÷. These calculations are used to decrease buyer's perceived risk when considering buying a product or a service (Anderson, Narus, and van Rossum, 2006). However, purchase managers tend to focus more on monetary costs (risks) than value potential, because they are more familiar using price information (Anderson, Thomson and Wynstra, 2000), which diminishes the effectiveness of value calculators. On the other hand, using reference cases as value justifiers in higher valued products or services has been shown to diminish customers' perceived risk and therefore result in better sales outcome (Anderson and Wynstra, 2010).

Value-based selling requires co-operation between seller and buyer that is also characterized as adaptive selling behavior from the seller's perspective. This type of selling is all about the relationship between the parties and requires adaptiveness especially from the seller's side whereas the buyer aims to provide all the necessary information to seller (Viio and Grönroos, 2014). If both parties are not committed to this type of co-operation, simpler and more structured sales methods can be justified to achieve a more efficient and effective sales process (Giacobbe et al., 2006).

Academic literature has researched this subject to some extent but the effectiveness of value-based selling activities, such as the use of value calculators or reference cases, is not examined properly, especially by utilization of objective business data. Earlier studies about value-based selling have focused on qualitative interviews with sales managers and purchasing managers (Terho et al. 2012;

Töytäri et al. 2011) and simulative quantitative studies with purchasing managers (Anderson and Wynstra, 2010; Heinritz et al., 1991). Avlonitis and Panagopoulos (2010) argue that empirical analysis on how organizations can optimize their sales processes is left with minimal emphasis. Academic literature is instead focused towards conceptual discussions and anecdotal textbook evidences. They also state that future research should focus more on sales process engineering that would put emphasis on ways to improve the effectiveness of the overall sales effort (Avlonitis and Panagopoulos, 2010).

In sum, earlier research about value-based selling praise it as a unique and outstanding way of conducting sales (e.g., Terho et al. 2012), but is value-based selling worth of hype? Does value-based selling boost the company's sales in terms of more deals made or in terms of higher revenue gained? Do value calculators and reference cases make customer's purchase decision easier and thus faster?

To answer these questions, the present study investigates value-based selling activities at the sales meeting level in real life selling situations. This is conducted by studying sales activities in the case of an international B2B service company. The company uses a virtual sales meeting platform which systematically tracks the occurrence of single sales activities. Moreover, CRM data, which reveals the sales outcomes, is linked to these sales meetings. Hypotheses will be tested with quantitative analysis methods, and the results challenge earlier research about value-based selling. The structure of this thesis consists of a theoretical background, research questions and hypotheses, description of the research and analysis methods, results, discussion, managerial implications and conclusions.

2   Theoretical background

Theoretical background of this study focuses on customer value, traditional sales process, value-based selling and communication of value. In order to understand the fairly young concept of value-based selling, we have to look back into traditional sales process and customer value literature, which form the basis of value-based selling. In addition, the aim here is to make a clear distinction between a traditional sales process and a value-based selling process. Hypotheses of this study are presented alongside the theory regarding value-based selling.

2.1 What is value?

Zeithaml (1988, p. 13) provides the following alternative definitions for value: "1. value is low price, 2. value is whatever I want in a product, 3. value is the quality I get for the price I pay, and 4. value is what I get for what I give". Customer value is thus a broad concept but generally it can be summarized as either perceived or desired value. Desired value refers to what customer would want to have from the product or service in order to achieve his or her goals when using it (Flint and Woodruff, 2001). Desired value can be seen as a sum of customer benefits, but offerings also include sacrifices from the customer's side in the form of price (Khalifa, 2004; Sánchez-Fernández and Iniesta-Bonillo, 2006). This leads to "customer perceived value", which includes both desired value and sacrifices within the offer. Sacrifices from customer's side are for example money, time and effort that need to be taken into consideration before making a purchase. Customer perceived value is the net value achieved after a buying process which includes search, purchase and use of the offering (Graf and Maas, 2008; Flint et al., 1997). Customer perceived value can also be defined as the difference between customer's desired value and the customer's total cost of ownership (Töytäri et al. 2011). This is illustrated in figure 1.
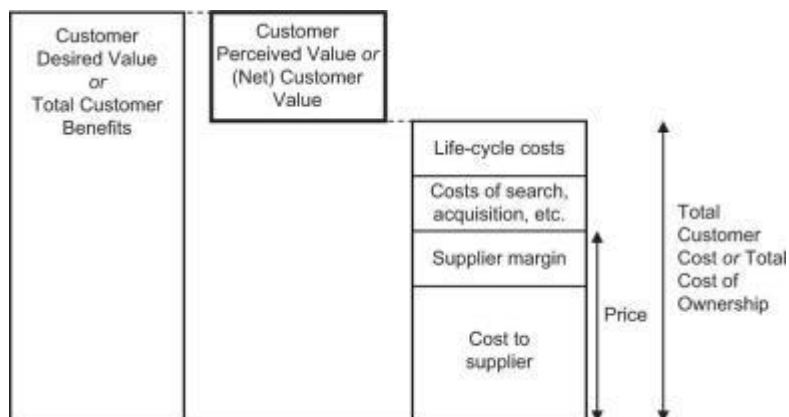

Figure 1. Customer desired and customer perceived value (Töytäri et al. 2011).

Potential value of an offering needs to be tied to the specific context and in the specific relationship in order it to make sense to customer (Lamming et al., 2003). This kind of pre-purchase value becomes evident to customer in most cases after the purchase when using the product or service, as only when the results are seen the value becomes concrete to customer (Ramsay, 2005). When the product or service is used, the value it brings isn't dependent on assumptions, but rather it can be measured, observed and quantified, which then proves or disproves the pre-purchase assumptions (Töytäri et al. 2011). Customer value becomes even more important when dealing with services than products due to the tendency of longer business relationships related to services (Lindgreen and Wynstra, 2005).

2.2 Value-based selling

Over the years there has occurred a shift from transaction orientation to relationship orientation in marketing. With this shift companies have also shifted their focus more on service and relationships, instead of products and exchange (Berry, 1983; Grönroos, 1979, 2006, 2008; Vargo and Lusch, 2004, 2008). Similar shift has occurred also in sales where companies have shifted their focus more to relationship selling (Long et al., 2007; Viio, 2011) and towards value-based selling (Anderson, Kumar, and Narus, 2008).

Although creation of superior customer value is regarded as essential for companies in order to obtain long-term survival and growth, quite little is known about implementation of value creation at salesforce level. After all, salesforce plays a key role in value creation when interacting with potential customers. Value-based selling entails mutual orientation and focuses on the value-in-use potential of the offering by illustrating the effect of the product or service on customer's business profits. Value-based selling is an effective sales approach in business markets and it is a unique concept that differs from established sales approaches by translating company's customer value orientation at the salesforce level (Terho et al., 2012) which traditional sales approach doesn't deliver.

2.2.1   Traditional sales process

Since already 1920s, a sales process has traditionally been divided into seven steps of different sales activities (Moncrief and Marshall, 2005):

1. Prospecting
2. Pre-approach
3. Approach
4. Presentation
5. Overcoming objections
6. Close; and
7. Follow-up

Since the introduction of the model of a sales process, there have been several attempts to enhance this model. Shapiro and Posner (1976) emphasized the importance of nurturing the relationship and acknowledged the process to be more complex than earlier studies had shown. Plank and Dempsey (1980) emphasized a careful analysis of the buyer's organizational buying environment. These early notes of the change in a sales process and in attitudes towards sales can be seen as signs of the later development of the value co-creation paradigm introduced by Vargo and Lusch (2004). In the sales literature, value co-creation has been translated as value-based selling, conceptualized by Terho et al. and Töytäri et al. Along the same lines, sales literature introduced the idea of adaptive selling, which essentially is about adapting to the potential customer and to the situation at hand (Román and Iacobucci, 2010; Viio and Grönroos, 2014).

In 2011, Åge (2011) presented a contemporary B2B selling process that reflects more precisely the actual selling process that occurs in a modern B2B environment. He describes it as a complex and dynamic process of "business maneuvering" which is divided into four categories.
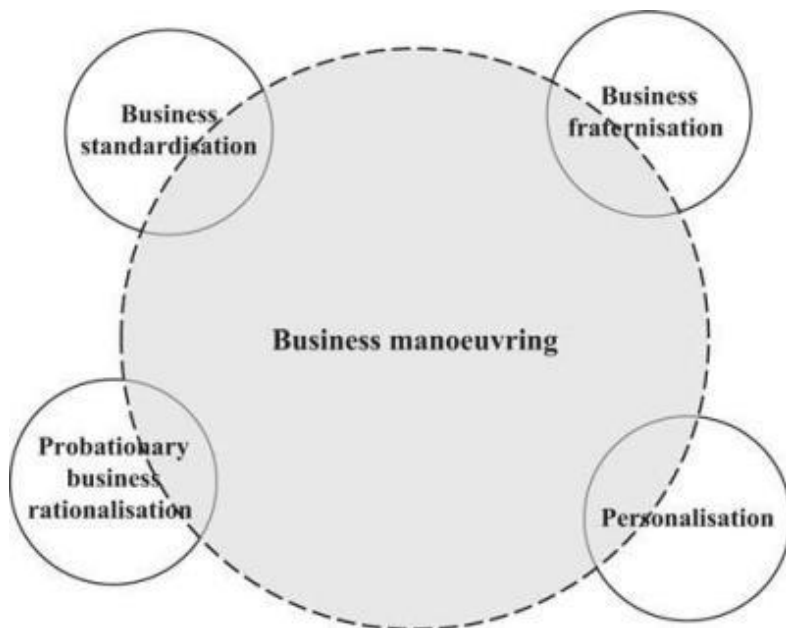

Figure 2. Model of B2B selling process (Åge, 2011).

Åge explains these four categories as follows:

- Formality and organizational issues ("business standardization")
- Collaboration at the organizational level ("business fraternization")
- Relationships at the personal level ("personalization")
- Concern about costs and risks ("probationary business rationalization") (Åge, 2011, p. 1585)

Åge's sales process model differs from earlier linear sales process models by explaining contemporary sales process having several complex dimensions that coexist at the same time (Åge, 2011).

2.2.2 Adaptive selling behavior

Adaptive selling behavior is crucial to value-based selling focusing on the interaction between seller and buyer. This relationship involves adaptation between both parties (seller and buyer). However, adaptation is mostly conducted by seller who aims to match his offer to meet with buyer's needs, whereas buyer aims to provide all the necessary information the seller needs (Viio and Grönroos, 2014). This kind of adaptation between buyer and seller provides an opportunity to co-create value (Grönroos, 2008; Grönroos and Voima, 2013; Vargo and Lusch, 2004, 2008), which creates dependency between parties in a form of deeper business relationship (Cannon, Perreault, and William, 1999). As a consequence, the literature assumes that adaptive selling leads also to increased revenues from the seller's perspective.

However, co-creation of value can be difficult to achieve in practice for both seller and buyer: What aspects to adapt to, how to adapt and to what extent in order increased value to emerge (Boddy, MacBeth, and Wagner, 2000; Stjernström and Bengtsson, 2004)? If both parties are committed to co-creation of value, long-term oriented relationship approach is the way to go, but when neither party is willing to go through this process, short-term oriented transaction is justified (Viio and Grönroos, 2014). Key to successful sales is to find a proper balance between long-term oriented relationship approach and short-term oriented transaction approach (Cron and DeCarlo, 2006).

To be adaptive at a sales process level, it requires both the sales process to be able to adapt but also adaptiveness from seller (Knoppen, Christiaanse, and Huysman, 2010). Seller has to have knowledge and willingness to adapt, and know what to adapt to during the process. In order to adapt the sales process to the customer's buying process, information about the buyer's buying process is a benefit:

The more information the seller has about the buying process, the more accurate and effective he or she can be during a sales process (Viio and Grönroos, 2014).

Adaptive selling behavior requires altering of sales-related behaviors during customer interaction or across interactions. Adaptive selling behavior includes for example empathic ability towards the buyer, ability to perceive contextual cues and ability to modify one's own behavior in a selling situation (Franke and Park, 2006). In theory, sales performance should improve when flexibility of the seller increases (Weitz, Sujan, and Sujan, 1986). However, adaptive selling behavior requires more time and effort from the seller, which leads to increased sales costs. Therefore, companies need to figure out the right balance between increase of revenues and increase of costs when using adaptive selling behavior to find out if it is a selling method that should be utilized (Giacobbe et al., 2006).

Delivering the same constructed sales pitch (non-adaptive sales behavior) has been proven to be more efficient in certain contexts than adaptive selling behavior (Jolson 1973; Jolson 1975). However, Predmore and Bonnice (1994) found that salespeople who were more adaptive in selling situations were more likely to be successful in closing deals. Moreover, Porter, Wiener and Frankwick (2003) found a positive relationship between adaptive selling behavior and sales performance, and that adaptive selling behavior strengthened the relationship between a seller and a buyer.

As mentioned, the relationship between adaptive selling behavior and sales performance has been inconsistent in earlier studies. The reason for the inconsistency has been argued to be situational influence (Giacobbe et al., 2006). Jolson (1989) argues that effective selling occurs when salespeople incorporate a right blend of flexibility and structure based on many situational characteristics, such as different kinds of customer needs and product characteristics. In addition, it has been suggested that adaptive selling behavior is beneficial for sales performance in situations where the buying task is either a modified rebuy or a new task purchase (Robinson, Faris, and Wind, 1967), offering is complex, buying center is complex, buyer's perceived risk is high, customer's needs are varied, seller's perceived importance of the sales is high, seller has capabilities to alter the offering and relationship is believed to produce high profits in future(Jackson, Cunningham, and Cunningham, 1988; Weitz, 1979; Weitz, 1981; Weitz, Sujan, and Sujan, 1986).

In addition to situational influences, characteristics of salespeople have also been seen to influence adaptive selling behavior (Giacobbe et al., 2006). Salespeople's information acquiring skills and level of knowledge about adaptive selling behavior have been found to have an influence on one's intention to engage in adaptive selling, and these factors have been found to influence adaptive selling effectiveness (Weitz, Sujan, and Sujan, 1986).

Salespeople's empathic ability is also a defining factor on adaptive selling behavior. Spiro and Weitz (1990, p. 63) define empathy as "the reaction of individuals to the observed experiences of other individuals". They also state that empathic ability has a direct effect on adaptive selling behavior. For salespeople, empathic ability means a capability to spontaneously adapt to customer's mindset and understand what the customer is feeling, which leads to genuine concern towards the customer (Spiro and Weitz, 1990). Based on this, salespeople with a greater empathic ability should be more effective in using adoptive selling behaviors, because they gain unique insights of customer's feelings and thoughts by being able to position themselves in the position of the customer. These kinds of salespeople are in a better position to tailor their sales pitch in such a way that leads to better sales success (Weitz 1979, p. 156). In addition, if salespeople can give signals that they understand customer's concerns, they are able to build stronger relationships with customers (Giacobbe et al., 2006). Besides empathic ability, also cue perception ability has been seen as a necessary ability for effective adaptive selling behavior. These cues are nonverbal and verbal cues that can be interpreted from customer's behavior (Weilbaker, 1990).

Seller's experience has also an effect on adaptive selling behavior. As sellers gain more experience of sales work, they become more aware of what kind of strategies they need to use when encountering different kinds of customers. In other words, their selling methods are enriched and they are able to be more adaptive in selling situations (Weitz, Sujan, and Sujan, 1986; Spiro and Weitz, 1990). In addition, sellers with more experience are more comfortable to use adaptive selling methods and elaborate it more frequently than sellers with less experience (Siguaw, 1993). Besides aiding the practice of adaptive selling, knowledge of and experience enables the salesperson to build self-confidence, better satisfy customers' needs, and gain buyers' trust (Weitz, Castleberry and Tanner, 1998).

2.2.3   Stages of value-based selling

Practice has shown that many companies find it difficult to present their products and offerings in a unique light and communicate the superior value the offerings produce. Potential clients are often pressed with limited time, resources and demand for results, which creates a demand for tangible evidence of value the offering delivers, both pre-purchase as well as post-purchase. However, sales pitches and value propositions are often supported with vague promises of increased efficiency or cost reductions when using provider's products or services (Töytäri et al. 2011). These considerations have brought forth the idea of value-based selling, which focuses on the idea of justifying value to customer by using rational, solid arguments, such as value calculations done in co-operation with the customer (Anderson, Narus, and van Rossum, 2006).

Terho et al. (2012) present three dimensions of value-based selling, whereas Töytäri et al. (2011) suggest sales process of value-based selling to consist of seven steps. The two process models of value-based selling are presented in figure 3.

1. Understanding customer's business model	**1. Identify suitable customers for product**
↓	↓
2. Crafting the value proposition	**2. Understand customer business**
↓	↓
3. Communicating customer value	**3. Position own offering**
	↓
	4. Set mutual targets
	↓
	5. Quantify impact
	↓
	6. Negotiate offer and deliver
	↓
	7. Verify and document impact
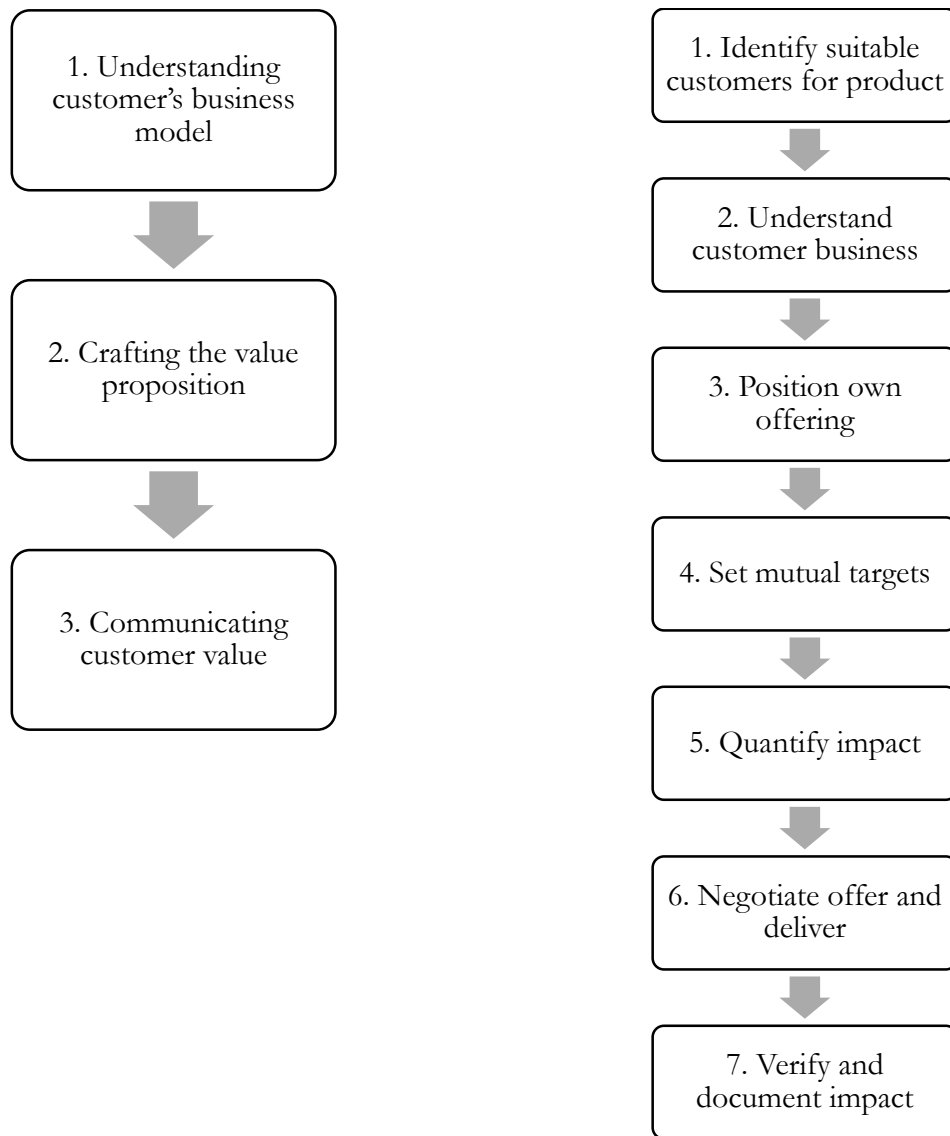
Figure 3. Stages of value-based selling compared (Terho et al. 2012; Töytäri et al. 2011).

Literature has only recently addressed the importance of the sales person's role in creating and delivering customer value. Notably, Terho et al. (2012) explored the value-based selling construct, its key constituents, potential outcomes and relationship to other selling behavior constructs. The study was conducted via in-depth interviews with experienced sales managers from various industries. A structure of value-based selling process was suggested: Understanding customer's business model, crafting the value proposition and communicating customer value.

According to Terho et al. (2012), understanding customer's business model is essential because it is the key to move further in the sales process. In particular, understanding customer's goals, earning logic and customer's customers was considered important. In the stage of crafting the value proposition, the ability to identify the customer's problems and to provide a solution that creates mutual benefit for the customer and to provider were the key task identified. In this stage, quantification efforts were seen to play a major part. According to the researchers, salespeople can base their customer value quantification efforts on different methods such as customer specific value calculations, value studies, simulations, return-on-investment studies, lifecycle calculations, and knowledge about the value created for reference customers. According to Terho et al. (2012), the final stage of communicating the value is the stage in which the salesperson has to convince customer in a way that leads to sales, and the research suggest that the most salient aspect of the sales communication is a credible demonstration of the offering's contribution to the customer's business profits.

2.2.4 Requirements for value-based selling

Töytäri et al. (2011) recognized eight key activities and elements for a successful value-based sales effort. In order to maximize the sales outcome via value-based selling a salesperson should:

1. Identify suitable customers

2. Understand customer's business and the positioning of the firm's own offering to deliver business impact

3. Involve the customer in the value assessment process and set mutual targets

4. Quantify business impact in cooperation with the customer

5. Tie price to realized value

6. Verify and document realized value post-purchase

7. Be able to present successful reference cases

8. Master the expertise based skill-set of sales force using value-based selling methods

Töytäri et al. (2011) found that identifying suitable customers is a key activity for value-based selling. Kaario et al. (2003) suggested that value-based selling requires willingness to commit and a high level of relationship value from the customer's side. Töytäri et al. (2011) also point out that the characteristics of the offering determine whether value-based selling is an attractive choice for the seller. If the real

value of the offering is unknown or underestimated by the customer, the offering is most attractive for value-based sales. This holds especially when the value of the offering is difficult for the customer to understand, for example when the offering is completely new, and solutions that include both services and products.

Value-based selling is salesperson-centric because it requires the salesperson to be highly knowledgeable about one's own business and the customer's business. The company and the salesperson need to understand key challenges and drivers of both customer's business and customer's customers business. In addition, value-based selling requires the provider company's all functions (not only salesforce and marketing functions) to serve the customer and its goals. Once salespeople understand the customer's business, they need to reflect on how company's own offering is positioned to customer's business and operations. In order to have a business impact, the offering needs to add significant value either directly to customer's business or optionally to customer's customer. During this sales process the salesperson may need to come up with new solutions to customer's problems, develop existing solutions further or reflect when one's offering adds the most value or where the largest value sources exist. In addition, since the customer most likely is comparing the sold offering to the next best alternative, salesperson should also consider the other alternatives and position offering with this in mind (Töytäri et al., 2011).

Value-based selling and solution selling are quite different compared to traditional salesmanship. According to the literature, value-based selling requires calculative and consultative abilities; skills that are seldom mastered by traditional, product-oriented salespeople. This makes value-based selling more difficult to train and manage and therefore this kind of sales philosophy requires more effort from sales management (Töytäri et al., 2011; Kaario et al., 2003; Anderson et al., 2007). Sales managers also encounter difficulties when recruiting salespeople, because they aren't familiar of differences between value-based selling and traditional sales methods. This makes it unclear to sales managers what they should expect from the sales people they are recruiting (Töytäri et al., 2011).

One of the most important parts of value-based selling is value quantification in cooperation with the customer (Anderson et al., 1998, Anderson and Narus, 2004; Anderson et al., 2007; Töyräri et al., 2011). Value assessment and quantification can rarely be done externally without interaction with customer. Value assessment should be conducted in cooperation with the customer, preferably with a cross-organizational team of experts. This process also involves setting mutual targets for the value-analysis. Value quantification cooperation commits both parties to creating value and gives a clear image of the impact that the customer is expecting. After the customer is committed to process of value quantification, salespeople have to proof the value to the customer. Töytäri et al. (2011) found in

their research that value calculation is not only key element of value quantification, but also the only relevant method from many activities. After the value is quantified it should be proven to as many customer representatives as possible and place the offering based on value quantification outcomes. In addition, the value should be documented and measured to show commitment by the provider, which adds trustworthiness towards offering. Careful documentation and measuring also helps to create reference cases for future sales processes. Reference cases are especially valuable in cases where value calculation's credibility is weak (Töytäri et al. 2011).

When value is measured and documented in a meaningful way, provider can tie price to these measurements which lowers customer's financial risks of taking the offer (Töytäri et al. 2011). This kind of value pricing method holds benefits for both the supplier and the customer. As mentioned, it minimizes the financial risks for the customer but it also encourages the supplier to make constant improvements to its product or service. It enhances the supplier-customer relationship by creating a direct feedback channel where both parties are committed to get the most value out of the deal. Realized value pricing also increases the credibility of the quantification process's results and adds transparency to the business relationship between the parties (Hinterhuber, 2004).

2.3 Communicating value

In a world where customers are driven by the thought of reducing costs it might be difficult to believe salesperson's words of savings and benefits to the customer if these claims aren't demonstrated and documented in a meaningful way. Anderson et al. (2006) discovered that it is exceptionally difficult to find examples of value propositions that resonate with customers in such a powerful way that these value propositions lead to a sales deal. If a supplier fails to deliver these claims, customer managers often dismiss these as marketing puffery, which ultimately leads to a sales failure (Anderson, Narus, and van Rossum, 2006). In addition, Barney and Hansen (1994) state that trustworthiness is a key component in building a flourishing business relationship between two parties and using examples of value propositions adds to the trustworthiness of a supplier (Anderson, Narus, and van Rossum, 2006).

Anderson, Narus and van Rossum (2006) recognized three different kinds of value propositions used by suppliers: "all benefits", "favorable points of difference", and "resonating focus". These three value proposition types differ from each other in what they consist of, what customer's question they answer to, what they require, and what pitfalls they contain. Anderson et al. (2006) demonstrate this in a table:

Table 1. Three kinds of value propositions (Anderson, Narus, and van Rossum, 2006.)

VALUE PROPOSITION:	ALL BENEFITS	FAVORABLE POINTS OF DIFFERENCE	RESONATING FOCUS
Consists of:	All benefits customers receive from a market offering	All favorable points of difference a market offering has relative to the next best alternative	The one or two points of difference (and, perhaps, a point of parity) whose improvement will deliver the greatest value to the customer for the foreseeable future
Answers the customer question:	"Why should our firm purchase your offering?"	"Why should our firm purchase your offering instead of your competitor's?"	"What is *most* worthwhile for our firm to keep in mind about your offering?"
Requires:	Knowledge of own market offering	Knowledge of own market offering and next best alternative	Knowledge of how own market offering delivers superior value to customers, compared with next best alternative
Has the potential pitfall:	Benefit assertion	Value presumption	Requires customer value research

Anderson et al., 2006 rank these in order of sales success as follows: 1. resonating focus, 2. favorable points of difference, and 3. all benefits. They emphasize the importance of understanding customer's business and the ability to point out the superior customer value over competing offers (Anderson, Narus, and van Rossum, 2006). The same factors have been recognized as key components in value-based selling as well (Terho et al. 2012; Töytäri et al. 2011).

Kindström, Kowalkowski and Nordin (2012) emphasize the importance of visualizing the value of a service-based offering throughout the offering lifecycle, not only in the stage of sales negotiations. They divide the offering lifecycle into four stages: market sensing, development, sales, and delivery. In their study they conducted qualitative interviews of supplier managers and their customers, and discovered four types of strategies to visualize the value of services provided: envisioning, association, documentation; and representation. Each of these strategies are applied in different stages of the offering lifecycle in order to maximize sales success (Kindström, Kowalkowski and Nordin, 2012).

In the first stage (market sensing), companies utilize all four value visualization strategies. It is a continuous process that revolves for example around brand building to visualize value to all stakeholders. In the second stage (development), companies use for example storytelling for both internal and external stakeholders, developing stories around services to increase understanding and

enlist management commitment. As for stages three and four (sales and delivery), value visualization strategies revolve mostly in the more traditional ways, which are documentation and representation. By using these strategies, suppliers demonstrate and document the value generated by their service focusing mostly on revenue and cost reductions that would be generated (Kindström, Kowalkowski and Nordin, 2012).

2.3.1   Demonstrating and documenting value

When it comes to proving value of offering to customer, it isn't just enough if seller says "we can save you money". Seller has to be able to proof this claim and oftentimes value calculators are way to do it. Seller has to back up this claim with simple calculators that either proof sellers offering to be better than rival offerings, lower costs or raise revenue. Data for value calculations is often provided by the potential customer, but data can also sometimes be derived from industry-specific data (Anderson, Narus, and van Rossum, 2006).

How to demonstrate value propositions? Supplier needs to demonstrate these with simple words and mathematics, such as the basic +, -, x and ÷ mathematic operations. In order to conduct these calculations it requires co-operation of supplier and potential customer to achieve resonating results (Anderson, Narus, and van Rossum, 2006). This is also regarded as crafting the value proposition (Terho et al., 2012). In addition, customer value should be demonstrated in advance. This can be conducted with value case histories used in accordance with reference customers or with value calculators, which are often spreadsheet software applications used by salespeople during consultative sales (Anderson, Narus, and van Rossum, 2006).

How to document value propositions? According to Anderson, Narus and van Rossum (2006), the supplier needs to document and track savings and profits generated by the offer in order to make value proposition even more interesting to the customer . By documenting the results, the supplier can refine value proposition models, create value case histories, and enable customer managers to get credit for cost savings and incremental profits. In addition, it makes the offering more compelling when the customer manager knows that the sales person is willing to come back later to document the value received. This can be considered stage seven "verify and document impact" of the value-based selling process (Töytäri et al., 2011). When documentation of the value proposition is done comprehensively, supplier can even guarantee certain amount of savings before the customer signs contract (Anderson, Narus, and van Rossum, 2006).

However, purchasing managers are often more experienced in using price than they are using value as a basis for selecting competing offerings. In addition, price is almost always stated in product offerings and understood by the purchasing managers (Heinritz et al., 1991). Even if value of the offering is known, purchasing managers have far more experience on price information than value information and therefore have a tendency to focus their attention more to price information (Anderson, Thomson and Wynstra, 2000).

Based on literature about value-based selling it seems that value calculation is not only key element of value quantification (Anderson, Narus, and van Rossum, 2006), but also the only relevant method from many activities (Töytäri et al. 2011). This is because it lowers customer's financial risks of taking the offer and holds benefits for the customer by minimizing the financial risks of the offering (Hinterhuber, 2004). As financial risks of the offering lower, decision making should be easier (faster) to the customer and the offering should seem more compelling to the customer. Therefore, when value calculators are used the more sales deals should be made with potential customers and duration of sales process should also decrease as decision making is easier for the customer. In addition, as the offering's value is higher, the more compelling it would be to a salesperson to utilize value calculations to communicate potential value to the customer. Based on these reasonings, following hypotheses are constructed:

H1: Using a value calculator increases the probability of a sales deal.

H2: Using a value calculator decreases the duration of a sales process.

H3: The higher the value of a sales offer, the more likely it is that a value calculator is used.

2.3.2 Reference cases as value justifiers

Reference cases can be used as value justifiers and work especially well when justifying higher value in sales negotiations (Anderson and Wynstra, 2010). But why is this? And what else can a supplier do to achieve a sales deal besides using reference cases? If a supplier company can deliver higher value than its competitors to customers, the supplier company could also try to attain a higher price from its customers. This would lead customers to buying higher value for higher price (Anderson, Kumar, and Narus 2007; Anderson and Narus 1998). But often customers are reluctant to pay for extra value and rather focus on monetary costs of the offering when comparing alternatives. Even though customers may often try to assess monetary worth of an offering in terms of value received, these assessments

remain as mere estimates. What can be seen as relatively firm is the cost of offering. Therefore customers tend to focus more on firm facts of lover price and lover value over the vision of higher price and higher value as long as minimum requirements for product or service are met (Håkansson and Wootz, 1975).

One way to achieve the supplier's goal of higher value and higher price is to give customers higher incremental value in relation to increase of price, but from supplier's business perspective this isn't the best alternative. What other actions could supplier use to achieve higher value and higher price, apart from monetary incentives (Anderson and Wynstra, 2010)? One potential way to do it is to provide reference cases to customers. In order to acquire reference cases, supplier should maintain good relations with earlier key customers that are willing to share their experiences and then utilize these experiences in future sales negotiations with prospective customers (Salminen and Möller, 2006). These reference customers are customers that are already using the higher value and higher price service or product, which eases prospective customer's uncertainty because they can familiarize other customers' experiences and possibly even contact them about their experiences. In exchange for being a reference case, the customer can get early access to new products or services, lower price or higher value from the supplier (Frook, 2001).

Anderson and Wynstra (2010) conducted a hypothetical scenario where purchasing and maintenance managers were going to buy products from a supplier and filled out a questionnaire regarding to this simulated buying situation. They found that using lists of reference cases reduces concerns of customers about whether they will realize the stated value regarding high value and high price offerings. Thus, reference cases have a positive impact on purchase intentions. This applied when the references customers were respective competitors that the customer could contact or a pilot program within the customer's company. There was no statistical difference between these two parameters in terms of purchase intentions. Anderson and Wynstra (2010) suggest that using reference cases eases prospective customers' ambiguity about superior customer value of offering. This links closely to use of value calculators as value demonstrators (Anderson, Narus, and van Rossum, 2006; Hinterhuber, 2004; Töytäri et al. 2011).

In summary, reference cases can be used as value justifiers during sales process as they lower ambiguity about superior customer value (Anderson and Wynstra, 2010). This lowers the customer's perceived risks of offering as value of offering seems more justified with reference cases. When risks of buying are lower, decision making should be easier to the customer and this should also lead to more sales when reference cases are used during sales process. In addition, Anderson and Wynstra (2010) found in

their research that reference cases work especially well when dealing with high value and high price offerings. Based on these reasonings, following hypotheses are constructed:

H4: Using reference cases increases the probability of a sales deal

H5: The higher the value of a sales offer, the more likely it is that reference cases are used

3   Methodology

As earlier studies have stated, value-based selling is an effective way of conducting sales (e.g., Porter, Wiener and Frankwick, 2003; Predmore and Bonnice, 1994; Terho et al. 2012; Töytäri et al. 2011). This study aims to prove this assumption of earlier qualitative studies by carrying out a quantitative analysis to test the hypotheses. This section includes information about the target company, data used in the analyses and analysis methods used to test the hypotheses.

3.1 Target company

The target company of this study is a B2B service company, which provides high value potential to its customers. It operates in numerous countries and serves a large customer base from various industries internationally. The company was selected for inspection because of its accurate and systematic recording of sales events. The company has created their own electronic sales platform, which monitors salespeople's actions during a sales meeting.

The electronic sales platform is an online platform where salespeople can present the company's services to potential customers. The platform is utilized with all types of customer and with all types of offerings, but not all sales meetings are conducted in the electronic system as some are performed via more traditional channels. A salesperson arranges a meeting time with a customer and sends an e-mail that contains a link to the platform. As the customer opens the link, the system opens a sales platform view on the customer's computer or other device, but it is the salesperson who controls the view and presents the things he or she chooses inside the platform. Thus, as the content of the sales meeting is every time controlled by the salesperson, sales meetings vary in terms of the activities performed or things presented. All communication during electrical sales meeting is done via normal mobile phone connection.

The sales platform has seven main pages that can be presented to customer. Each main page is not necessarily presented to every customer. Instead, salespeople choose which pages they want to present. The reason for this is that some customers are more familiar with the company's services so there is no reason to systematically go through all possible content. In addition, there is no structured order in which salespeople present the main pages to customers. There are several sub-pages under each main page that can also be presented to customers, such as service or concept details. The main pages are

called: concept presentation, pre-meeting without selling, how to get most out of service, references, ROI-calculation, start of electric sales meeting session and presentation of individual services.

3.2 Data

The data consist of quantitative data from the target company's CRM system and the electronic sales platform, total timeline being May 2008 – January 2015. The data consisted of seven different Excel data files and they were encrypted with different identification numbers in order to maximize the privacy of the target company's customers, salespersons and services. Using these identification numbers and other information included, different pieces of information were linked with each other.

At the time of the study, the use of the electronic sales platform was at its early stages as it was launched in April 2013, and the data collected from the platform ranged from April 2013 to November 2014. At that time, not all salespeople were comfortable with using the electronic sales platform and thus preferred other sales channels. This explains why the platform was involved only in a small portion of the target company's sales cases, as presented in Table 2.

Table 2 presents the different information sources, sum of events included and timeline for these events.

Table 2. Excel data files including sum of events and timeline

Excel file name	Sum of events	Timeline
Electronic sales meetings	74 085	30.4.2013 – 6.11.2014
Contact information	429 178	No timeline
Customer companies	152 185	No timeline
Meetings	77 647	10.5.2008 – 6.11.2014
Offers	153 683	10.5.2008 – 8.1.2015
Contracts	20 772	11.5.2008 – 6.11.2014
Salespersons	101	No timeline

After the data of the seven Excel files was linked and combined into analyzable information, the final data set contained 1240 electronic sales meetings and their activities. Out of these 1240 electronic sales meetings, an offer had been made to 301 customers. These offers had been lost in 243 cases and won in 58 cases. From the total of 1240 meetings, 47 meetings were excluded from the analyses because it was not possible to reliably link them into a distinct offer made. The remaining 892 meetings are meetings that haven't led to a sent offer.

The target company indicated that offers, which have been created two weeks after an electronic sales meeting can be linked in a trustworthy manner into same sales case. The same applies to contracts that had been created less than two months after an offer has been created. For analysis purposes, the timeline between electronic sales meeting and offer was extended into three weeks in order to cover more sales cases and achieve statistically reliable results. After these restrictions, the data consisted of 199 offers, which included 36 won and 163 lost offers.

As mentioned earlier, hypotheses of this study focus on communicating value and justifying value to customers. This being the case, the analysis focuses on two main activities, i.e. shown pages, of electronic sales meetings: references and ROI-calculator. "References" contains reference cases that can be presented to customer inside the electronic sales platform. Salesperson can choose which reference case(s) he or she wants to show or the customer can suggest a specific reference case he or she would like to see. Reference cases are used to justify value to ease the customer's buying decision.

The ROI-calculator main page contains a ROI-calculator that can be used to calculate the customer's business case. Typically the salesperson asks questions from the customer and the customer provides all the necessary numerical data for the ROI-calculation. Visually the ROI-calculation is presented in a form of a pipeline and in the end of it relies the potential monetary value to customer. Additionally, inside the ROI-calculation main page the salesperson can show what other value the service delivers. ROI-calculator is also used to justify value of the service to customer. Other variables used in the analyses are monetary value of the offering, days between sales meeting and offer, and sales status (was the offer won or lost).

Analyses were conducted with SPSS statistical analysis program. Analysis methods include crosstabulation (contingency table) with Pearson's chi-square test and one-way ANOVA (analysis of variance). Crosstabs are tables in a matrix format that show the frequency distribution of ordinal or nominal variables. They are the equivalent of a scatter plot used to analyze the relationship between two variables. Usually crosstabs are used for two variables but they can also be utilized for three or more variables. With Pearson's chi-square test, it can be determined whether or not there is an

association between these variables. One-way ANOVA is used to determine whether there are any significant differences between the means of three or more independent (unrelated) groups (Sarstedt and Mooi, 2014).

3.3 Trustworthiness of the study

Trustworthiness of the results is supported when research data is investigated. Data used for the analyses contains sales meetings from 194 individual customer companies from seven different countries. The meetings were held by 35 individual salesperson from six different countries. Thus, the data isn't just a caption of few salespeople's actions within one country. Instead, the analyses contain information about value-based selling in an international real life setting including many different customers, salespersons and nationalities. However, the analyses tell a story about value-based selling in just one company and does not therefore necessarily represent the whole spectrum of value-based selling in general.

4   Results

Data used in all analyzes is composed of 199 offers (n=199). Hypothesis 1 argued that using a value calculator increases the probability of a sales deal. The results show that when a value calculator was used, 82.7% (n=105) of the offers were declined while 17.3% (n=22) were accepted. On the other hand, when a value calculator was not used, 80.6% (n=58) of the offers were declined and 19.4% (n=14) were accepted. Thus, offers were slightly more often accepted when a value calculator was not used, rather than used, but according to a chi-square test the difference is not statistically significant (χ^2 (1) = .14; p = .709). Consequently, hypothesis 1 is rejected and null-hypothesis holds.

Hypothesis 2 argued that using a value calculator decreases the duration of a sales process. Duration of a sales process in this situation means days between meeting and customer's decision on whether he or she accepts or rejects the offer. The results show that when a value calculator was used, the duration of a sales process was 1.71 days (mean value) with standard deviation of 4.211 (n=72), and when not used, 3.28 days with standard deviation of 6.073 (n=127). Thus, duration of a sales process was decreased when value calculator was used and this result was statistically significant (F (1,197) = 4.593; p = .033). Consequently, hypothesis 2 is supported.
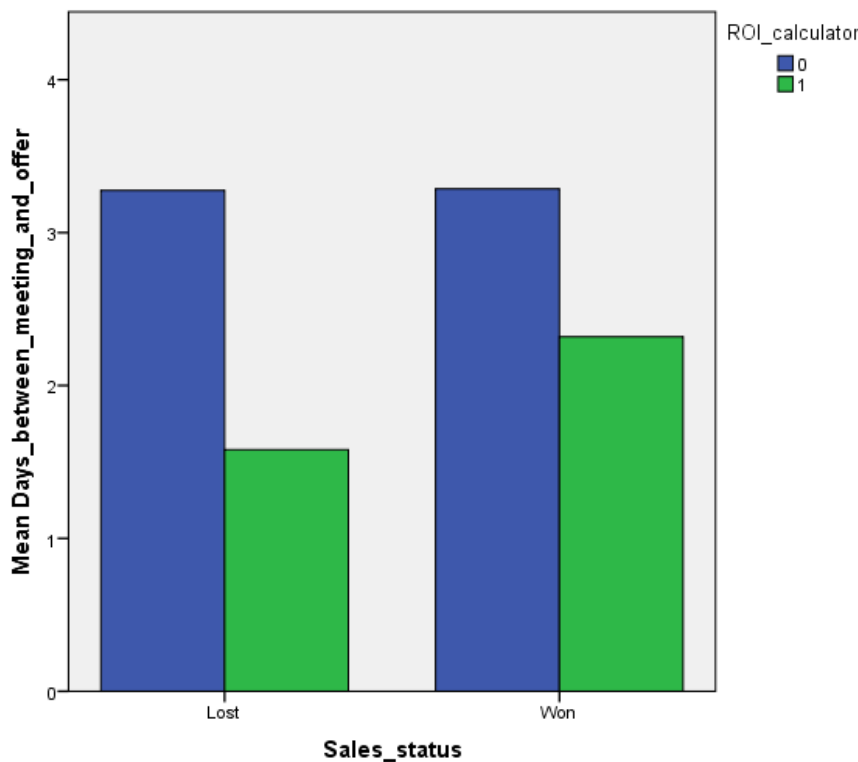

Figure 4. Results of H2

Hypothesis 3 argued that the higher the value of a sales offer, the more likely it is that a value calculator is used. The results show that when value calculator was used, the monetary mean value of an offer was 11 872.26 euros with standard deviation of 6991.32 (n=127), and when not used 14 330.59 euros with standard deviation of 9373.30 (n=72). Thus, the higher the value of a sales offer, the less likely it is that a value calculator is used, and this result was statistically significant (F (1,197) = 4.413; p = .037). Consequently, hypothesis 3 is rejected as the higher the value of a sales offer, the less likely it is that a value calculator is used.
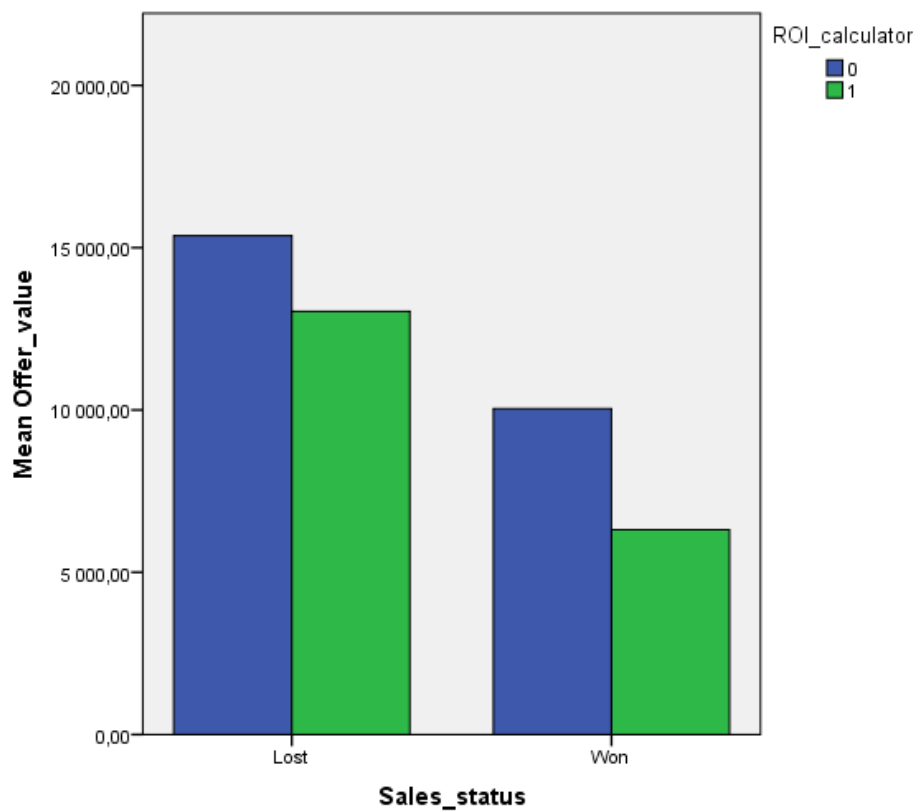
Figure 5. Results of H3

Hypothesis 4 argued that using reference cases increases the probability of a sales lead. The results show that when reference cases were used, 100% (n=6) of the offers were declined. When reference cases were not used 81.3 % (n=157) were declined and 18.7 % (n=36) were accepted. Thus, offers were accepted more often when reference cases were not used, rather than used, but according to a chi-square test, the difference was not statistically significant (χ^2 (1) = 1.366; p = .242). However, requirements of the chi-square test weren't met as 2 cells (50,0%) have expected count less than 5. Consequently, hypothesis 4 cannot be rejected and the null-hypothesis holds.

Hypothesis 5 argues that the higher the value of a sales offer, the more likely it is that reference cases are used. The results show that when reference cases were used, the monetary mean value of an offer was 17 300.00 euros with standard deviation of 3041.71 (n=6), and when not used 12 620.61 euros with standard deviation of 8068.94 (n=193). Thus, the higher the value of a sales offer, the more likely it is that reference cases are used, but the difference was not statistically significant (F (1,197) = 2.001; p = .159). Consequently, hypothesis 5 is rejected and null-hypothesis holds.

5   Discussion

In this section, the results of the analyses are discussed and compared to existing literature. Analyses that were carried out showed controversies between the existing literature and the results of this study, as four out of five hypotheses were not supported. Aim here is to discuss possible reasons behind the results.

Finding 1: Using a value calculator does not affect the probability of a sales deal.

H1 was rejected as statistically significant support for this hypothesis was not found. H1 was based on earlier studies that had assumed that value calculators would make buying easier and thus more likely. This finding is in contradiction with earlier study results about value-based selling. As earlier studies state that activities of value-based selling effect positively to sales success (e.g. Terho et al. 2012; Töytäri et al. 2011) because value recognition eases customer's purchase decision and investment can be argued with rational arguments, such as value calculators that proof value of an offering (Anderson, Narus, and van Rossum, 2006). In addition salespeople who are more adaptive in selling situations were more likely to be successful at closing deals (Predmore and Bonnice, 1994) and have better overall sales performance (Porter, Wiener and Frankwick, 2003).

Possible reason for finding no support for H1 is risk avoidance. For example, Anderson, Thomson and Wynstra (2000) argue that purchase managers tend to focus more on monetary costs (risks) than value potential, because they are more familiar using price information. This can lower the effectiveness of value calculator (ROI-calculator) as purchase managers focus more on price than value.

Finding 2: Using a value calculator decreases the duration of a sales process.

H2 was supported as using a ROI-calculator in a sales meeting decreased the duration of the sales process and the result was statistically significant. H2 was derived from existing literature that states that value calculations are used to decrease perceived risk of buyer when considering buying a product or service (Anderson, Narus, and van Rossum, 2006; Töytäri et al. 2011), which should speed up buyers purchase decision. It is beneficial for a seller to have faster sales process because it lowers the overall costs and effort invested in the sales process.

Finding 3: The lower the value of a sales offer, the more likely it is that a value calculator is used.

H3 was rejected because the results showed that the higher the value of a sales offer was, the less likely a value calculator was used. H3 was derived from existing literature that states that value-based selling is beneficial for sales performance when buyer's perceived risk is high (Jackson, Cunningham, and

Cunningham, 1988; Weitz, 1979; Weitz, 1981; Weitz, Sujan and Sujan, 1986). When the monetary value of a sales offer is high, it contains higher risk for the buyer.

Possible reasons for founding no support to H3 could be that salespeople are reluctant to use value calculators when dealing with high monetary value offerings. This could be due to lower contribution margin of the less valuable offerings, which could make them look more attractive in the ROI-calculation and therefore more often used by the salespersons. At this point, there is no literature supporting that value calculators would be more efficient when dealing with smaller offerings. Often times as business relationships evolve, purchases become bigger in monetary terms. This could be an alternative explanation why salespeople don't utilize value calculator on bigger monetary offerings; when customers buy more valuable services, they already are familiar with the service and the value it delivers. Support for this assumption is found as the literature argues that value-based selling is beneficial for sales performance when the buying task is either a modified rebuy or a new task purchase (Robinson, Faris and Wind, 1967), which leaves out pure rebuys.

Finding 4: The value of the offering does not affect the likelihood of using a reference case.

H5 was rejected as the use of reference cases was not dependent on the offer value. H5 was derived from existing literature that says that using reference cases as value justifiers in higher value products or services would ease customers' perceived risk and therefore end up with better sales results (Anderson and Wynstra, 2010). However, no difference in salesperson preferences in regards to reference case usage was found.

One possible explanation for this is the relative newness of the electronic sales platform, which could reflect in the salespersons' inability to use all the different value-based selling tools available in the platform. Existing literature argues that as salespeople gain more experience, they become more aware of what kind of sales strategies to use with different kind of sales situations. This leads to salespeople being more adaptive, which leads to better sales results (Weitz, Sujan, and Sujan, 1986; Spiro and Weitz, 1990). Salespeople with more experience are also more comfortable using methods of adaptive selling and use these methods more frequently (Siguaw, 1993).

6   Conclusions

In this section, conclusions of the study are presented in a form of managerial implications, limitations of the study and suggestions for further research.

6.1 Managerial implications

A limitation of this study is that the data consist of only one target company's sales data. Because of this reason, managerial implications have to be made with caution because generalization of these results cannot be justified solidly enough to cover all types of companies in any kind of industry. Instead, the focus of this section is to give managerial implications to the target company of this study. Many of the results had no support for hypotheses derived from the existing literature and in some cases there were even contradictive results compared to hypotheses. This raised several questions that the target company should investigate.

Why don't salespersons of the target company use a ROI-calculator when dealing with bigger monetary offerings? Is the ROI-calculator inefficient when used on bigger monetary offerings? The target company also stated that it is possible that ROI-calculator gives negative ROI-results in some cases. Does this happen more often with bigger monetary offerings? These are things that should be investigated inside the target company especially as existing literature states that justifying value becomes even more important when dealing with high value (high risk) products. Similar questions can be asked regarding the use of reference cases. Töytäri et al. (2011) state that reference cases are especially valuable in cases where the credibility of a value calculation is weak. Founding no support for H1 (using a value calculator increases the probability of a sales deal) this could suggest that the credibility of the value calculator is weak and therefore reference cases should be utilized in order to achieve better sales performance.

So why reference cases aren't utilized (6 out of 199 offers) by target company's salespeople? Are the reference cases credible? Do the reference cases apply only to higher valued offers, or do the salespeople see reference cases as unnecessary when dealing with smaller offers? These questions need to be answered by the target company, and in case the reference cases are seen insufficient, they should be improved both in quality as well as in variety.

One possible reason for failing in justifying value inside this value-based selling process is the fact that salespeople of the target company are still learning the usage of their new electronic sales platform

and/or lack experience in value-based selling. It is also possible that the salesforce isn't trained enough to use methods of value-based selling and therefore fail to achieve better sales performance when utilizing these methods As stated earlier, value-based selling requires calculative and consultative abilities; skills that are seldom mastered by traditional, product-oriented salespeople. This makes value-based selling more difficult to train and manage and therefore this kind of sales style requires more effort from sales managers (Töytäri et al. 2011; Kaario et al. 2003; Anderson et al. 2007). Sales managers may also encounter difficulties when recruiting salespeople if they aren't familiar of differences between value-based selling and traditional sales methods. This makes it unclear to sales managers what they should require from the sales people they are recruiting (Töytäri et al. 2011). Based on this, sales managers should be aware of what they want from their salesforce and make sure that the salesforce is familiar with methods of value-based selling.

Additionally there is also a possibility that value-based selling just isn't effective sales approach, even if salesperson masters crucial value-based selling methods. Statement about value-based selling by Terho et al. (2012) "It's almost like taking the sales out of selling" is definitely challenged by these results. Possible reasons for ineffectiveness of value-based selling could be that although it delivers hard evidence about value in quantitative form it leaves out other valid factors that affect decision making, such as feelings. It is a commonly known fact that buying decisions are affected by facts and emotions. With this in mind, value-based selling possibly doesn't resonate as effectively to customers that rely more on feelings in their decision making, as it would to customers that rely more on facts.

Finally: Is value-based selling a suitable selling method for the target company and its services? The existing literature about adaptive selling and value-based selling has stated that sometimes a simpler and more structured sales pitch can be justified. If both parties are committed to co-creation of value, long-term-oriented relationship approach is effective, but when neither party is willing to go through this process, short-term-oriented transaction is justified (Viio and Grönroos, 2014). The key to successful sales is to find a proper balance between long-term-oriented relationship approach and short-term-oriented transaction approach (Cron and DeCarlo, 2006) as adaptive selling behavior requires more time and effort from the seller, which also leads to increase of sales costs. Therefore, companies need to figure out the right balance between increase of revenues and increase of costs when using adaptive selling to figure out if it is the selling method that should be utilized (Giacobbe et al., 2006). Earlier studies about value-based selling methods argue that they work best when one or more of the following criteria is met: Buying task is either a modified rebuy or a new task purchase (Robinson, Faris and Wind, 1967), offering is complex, buying center is complex, buyer's perceived risk is high, customer's needs vary considerably, seller's perceived importance of the sales is high, seller has capabilities to alter

offering, relationship is believed to produce high profits in future (Jackson, Cunningham, and Cunningham, 1988; Weitz, 1979; Weitz, 1981; Weitz, Sujan and Sujan, 1986). By utilization of this list of criteria about value-based selling companies can investigate whether value-based selling suites to their business environment.

What this study brings to table when discussing about value-based selling is the major finding that using a value calculator decreases the duration of a sales process. Although there was no support for hypothesis 1: "using a value calculator increases the probability of a sales deal", salesperson can speed up the sales process by using value calculator which improves the ROI of total sales process and therefore benefits suppliers business. Basically it doesn't matter if the sales deal is lost or won, because by using value calculator salesperson can either way save time and focus on more customers which ultimately generates more sales deals. If the salesperson has a gut feeling that this sales case has high percentage for resulting to a sales deal, he/she should most definitely use value calculator speed up the customer's decision making.

6.2 Limitations and future research

Generalizations of the results of this research should be made with caution due to having inspected only one company in B2B service market. Further research should be conducted using other companies from various industries to see if the results differ. In addition, it would be interesting to see how other indicators of value-based selling correlate with sales success; for example, does the salesperson's value vs. transaction-oriented mindset affect sales success on a sales meeting level?

In addition, it was not known which sales meetings concerned new customers and which ones concerned existing customers. It would have been interesting to see if value-based selling was the most effective when the buying task is either a modified rebuy or a new task purchase as suggested by earlier literature (Robinson, Faris and Wind, 1967). Relating to this, customer history as a moderator of how familiar customer is with the supplier's products could be utilized to see if there is difference between new customers and with customers that are more familiar to supplier's services.

Moreover, in the analyzed data it was evident that reference cases were used extremely rarely. This makes one to wonder if the reference cases were convincing to customers. Were the salespeople avoiding the use of reference cases because they saw the available reference cases as insufficient? Töytäri et al. (2011) argue that reference cases are especially valuable in cases where value calculation's

credibility is weak so theoretically the usage of reference cases should have been more frequent. Thus, future research should study contexts in which reference cases are frequently used and investigate the effect on sales performance. One concrete research question for future research is: Does the use of reference cases increase probability of a sales deal? This study couldn't provide answer to this question as requirements for chi-square test weren't met to test H4. Finally it would be interesting to see how value-based selling activities used in this study's analyses (reference cases and value calculators) resonate with buyers who are feeling-oriented in their buying decisions versus buyers who are fact-oriented.

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Appendix 1. SPSS Output: Crosstab and chi-square for H1

ROI_calculator * Sales_status Crosstabulation

| | | | Sales_status | | |
			Lost	Won	Total
ROI_calculator	0	Count	58	14	72
		% within ROI_calculator	80,6%	19,4%	100,0%
	1	Count	105	22	127
		% within ROI_calculator	82,7%	17,3%	100,0%
Total		Count	163	36	199
		% within ROI_calculator	81,9%	18,1%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	,140[a]	1	,709		
Continuity Correction[b]	,033	1	,856		
Likelihood Ratio	,138	1	,710		
Fisher's Exact Test				,706	,424
Linear-by-Linear Association	,139	1	,709		
N of Valid Cases	199				

a. 0 cells (0,0%) have expected count less than 5. The minimum expected count is 13,03.

b. Computed only for a 2x2 table

Appendix 2. SPSS Output: One-Way-ANOVA for H2

Descriptives

Days_between_meeting_and_offer

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
0	72	3,28	6,073	,716	1,85	4,70	0	20
1	127	1,71	4,211	,374	,97	2,45	0	19
Total	199	2,28	5,008	,355	1,58	2,98	0	20

ANOVA

Days_between_meeting_and_offer

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	113,134	1	113,134	4,593	,033
Within Groups	4852,665	197	24,633		
Total	4965,799	198			

Appendix 3. SPSS Output: One-Way-ANOVA for H3

Descriptives

Offer_value

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
0	72	14330,5860	9373,30030	1104,65403	12127,9684	16533,2036	4000,00	53000,00
1	127	11872,2519	6991,32173	620,37948	10644,5391	13099,9647	2000,00	29200,00
Total	199	12761,6994	8000,74677	567,15790	11643,2541	13880,1447	2000,00	53000,00

ANOVA

Offer_value

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	277693008,438	1	277693008,438	4,413	,037
Within Groups	12396672880,246	197	62927273,504		
Total	12674365888,684	198			

Appendix 4. SPSS Output: Crosstab and chi-square for H4

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Sales_status * References	199	100,0%	0	0,0%	199	100,0%

Sales_status * References Crosstabulation

			References		Total
			0	1	
Sales_status	Lost	Count	157	6	163
		Expected Count	158,1	4,9	163,0
	Won	Count	36	0	36
		Expected Count	34,9	1,1	36,0
Total		Count	193	6	199
		Expected Count	193,0	6,0	199,0

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1,366[a]	1	,242		
Continuity Correction[b]	,397	1	,528		
Likelihood Ratio	2,436	1	,119		
Fisher's Exact Test				,594	,297
Linear-by-Linear Association	1,359	1	,244		
N of Valid Cases	199				

a. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 1,09.

b. Computed only for a 2x2 table

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	-,083	,242
	Cramer's V	,083	,242
N of Valid Cases		199	

Appendix 5. SPSS Output: One-Way-ANOVA for H5

Descriptives

Offer_value

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
0	193	12620,6123	8068,93706	580,81480	11475,0153	13766,2094	2000,00	53000,00
1	6	17300,0000	3041,71005	1241,77293	14107,9211	20492,0789	13000,00	20500,00
Total	199	12761,6994	8000,74677	567,15790	11643,2541	13880,1447	2000,00	53000,00

ANOVA

Offer_value

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	127418807,263	1	127418807,263	2,001	,159
Within Groups	12546947081,420	197	63690086,708		
Total	12674365888,684	198			