

The Salesperson's Role in the Realisation of the Potential Value
of a Business Buyer-Seller Relationship

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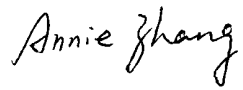
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Attestation of Authorship

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person, nor material which to a substantial extent has been submitted for the award of any other degree of a university or other institution of higher learning.

A handwritten signature in black ink that reads "Annie Zhang". The script is cursive and fluid, with the first letter of each name being capitalized and prominent.

Annie Liqin Zhang

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Abstract

This research investigates which salespeople's relationship activities in a business-to-business buyer-seller relationship influence the level at which the buyer's resources are accessed and used for the benefit of both the seller and the buyer. The study then examines how these activities are connected to the relationship performance for the seller directly as well as indirectly through the availability of the buyer's resources. The topic is important as firms rely heavily on their salespeople to achieve better customer relationship performance, and the value of a relationship lies in the way the resources of the buyer and the seller are combined and utilised for value creation for both firms. In this thesis, this inter-firm resource combination and usage process is referred to as "co-creation", as researchers note that, in business-to-business relationships, value is co-created through the integration of the two firms' resources (Vargo & Lusch, 2011). Existing research has been focusing on the role salespeople play in obtaining internal resources for serving customers. The role the buyer's resources play in value realisation for the seller, has not been specifically addressed, especially how the availability of a buyer's resources can be influenced by the salesperson's relationship activities.

Building on the ARA (activity-resource-actor) structure of the network theory (Håkansson & Snehota, 1995), this research proposes two constructs, the availability of the buyer's resources and the salesperson's relationship focus level, and establishes the structure of the conceptual framework of the current research. The salesperson's relationship focus level refers to the level of attention a salesperson allocates to gaining access to a buyer's resources and making good use of the resources for realising the potential value of the relationship for the seller. It is a higher-order construct that directs the salesperson's relationship activities and is assessed by the intensity of the salesperson's activities that are identified in this research as relevant to the availability of the buyer's resources. A mixed-method research design is used to develop the two constructs. Based on the literature review, in-depth interviews are used first to further

clarify the domains of the two constructs and to generate the measures. Then quantitative methods test the validity of the two constructs and the research model.

Structural equation modelling is used to analyse the survey responses. The fit indices results show that the structural model fits well to the data. The validities of the constructs in the research model are well supported. The salesperson's relationship focus level has six reflective dimensions: which correspond to the intensity levels of the six relationship activities including learning about the seller's resources, learning about the buyer, customer contact, service, selling, and coordination. The salesperson's relationship focus level has a significant and positive influence on both the availability of the buyer's resources and the relationship performance for the seller. In addition, the effect of the salesperson's relationship focus level on the relationship performance for the seller is partially influenced by the availability of the buyer's resources.

This research makes three contributions: (1) measure development of the two constructs, which are the availability of the buyer's resources and the salesperson's relationship focus; (2) empirically testing the validity of these two constructs and finding associations between these two and relationship performance for the seller; (3) the mixed-methods approach to the scale development. The results show that the realisation of relationship value requires significant efforts in improving the knowledge of how the buyer's and the seller's resources can be combined and used, engaging the buyer in relevant dialogue, exploring the opportunities that are associated with the use of both firms' resources, and coordinating the two firms' activities and other relevant third parties' activities.

1 Introduction

1.1 Problem orientation

This thesis investigates which salespeople's activities influence the level at which the buyer's resources are accessed and used for the benefit of both the seller and the buyer. The study then examines how these activities are connected to the relationship performance for the seller directly and indirectly through the availability of the buyer's resources. Two new constructs are proposed: the level of a salesperson's relationship focus and the availability of a buyer's resources. The level of a salesperson's relationship focus is defined as the level of attention the salesperson allocates to gaining access to a buyer's resources and making good use of the resources for realising the potential value of the relationship for the seller. This relationship focus is an attribute that directs the salesperson's relationship activities, and will be assessed by the intensity of the relevant salesperson's relationship activities, which are to be identified in the current study. The availability of the buyer's resources is defined as the level at which the buyer's resources are accessed and used for co-creation in a relationship or value creation for both the buyer and the seller.

The salesperson is the focus of the current study because the salesperson conditions the way the relationships are developed between the firm and its customers (Håkansson, 1982). Firms rely heavily on their salespeople to grow their businesses in business-to-business markets (Avlonitis & Panagopoulos, 2010). The impact of salespeople on their firms' customer relationships significantly affects the firms' top-line performance (Zoltners, Sinha, & Lorimer, 2008).

The sales literature tends to focus on how to achieve good sales performance (e.g., Churchill, Ford, Hartley, & Walker, 1985), and to establish customers' trust (Doney & Cannon, 1997; Swan, Bowers, & Richardson, 1999), but not on salesperson's role in gaining access to the buyer's resources and making good use of the buyer's resources

for co-creation or value creation for both the buyer and the seller. Establishing a customer's trust is important as the customer's trust in the salesperson has many positive outcomes, such as satisfaction with the salesperson or the selling firm and its products, positive attitudes towards the salesperson or the selling firm, intentions to engage in positive actions with the salesperson or the selling firm, and positive sales and purchase choice towards the salesperson or the selling firm (e.g., Swan et al., 1999). Many salespeople's characteristics and behaviours have been identified as useful for developing customers' trust, such as salespeople's benevolence, empathy, ethical behaviour, competence or expertise, selling skills, listening skills, likeability, and similarity (e.g., Aggarwal, Castleberry, Ridnour, & Shepherd, 2005; Roman & Ruiz, 2005; Swan et al., 1999).

Regarding sales performance, researchers such as Weitz and Bradford (1999) and Wotruba (1991) note that effective performance has shifted from relying heavily on the salesperson's number of calls and call planning, through using effective techniques for overcoming objections and closing sales, and being customer oriented (Saxe & Weitz, 1982) and adaptive in selling (Weitz, Sujan, & Sujan, 1986), to being a value creator for both the seller and the buyer, co-creating solutions for the buyer and identifying value co-creation opportunities. While adaptive selling requires skills and knowledge to work smart (Sujan, 1986; Sujan, Weitz, & Kumar, 1994) to sell the seller's existing product and service offerings (Weitz & Bradford, 1999), solution co-creation typically goes beyond the seller's existing offerings.

Examining the salesperson's role in gaining good availability of the buyer's resources for co-creation is important. Moncrief and Marshall (2005) argue that the traditional seven steps of selling, i.e., prospecting, preapproach, approach, presentation, overcoming objections, close and follow-up, have lost much of their power as the key issue in sales training and as the basis for the firm's overall sales philosophy. They suggest that the new selling steps should involve problem solving or solution selling, that is, co-creating solutions with customers. Similarly, Sheth and Sharma (2008) note

that firms have shifted from products to services and from products to solutions. Solution selling typically involves a selling team (Tuli, Kohli, & Bharadwaj, 2007), and thus the salesperson needs to perform as a relationship manager (Weitz & Bradford, 1999), coordinating the relevant activities of the selling team and other relevant parties (Davies, Ryals, & Holt, 2010).

However, there is a lack of research into the salesperson's role in making good use of both the seller's and the buyer's resources for co-creation or value creation for both firms. Avlonitis and Panagopoulos (2010) argue that research needs to explore how the sales force can be used to co-create value with customers. In addition, Schneider argues that research is needed to identify the attributes of the people who create a service climate for value co-creation and what these people do to create the service climate and get customers involved in co-creation (cf. Ostrom et al., 2010). The salesperson is most likely to be involved in this customer-engaging task. Thus relationship focus is proposed in this study as the attribute that directs a salesperson's activities towards the ones that are relevant for gaining access to and making use of the buyer's resources for co-creation.

There is also a lack of research on the salesperson's coordination activity and particularly into judging the salesperson's ability to perform this coordination function. Researchers argue that more research is needed into the salesperson's coordination effort in obtaining a firm's internal resources for serving customers' needs (Ingram, 2004; Jones, Brown, Zoltners, & Weitz, 2005). Guesalaga and Johnston (2010) argue that the topic of "internal alignment" aimed at the customer will be a fruitful area for future research. By identifying how the salesperson's relationship activities influence the level of the buyer's resources that are accessed and used for co-creation, this research helps to explore the salesperson's role in co-creation or the value creation process for both the buyer and the seller.

The research into resources views resources as the source of a firm's competitive

advantage and suggests that a firm's critical resources may be external to the firm. According to the resource-based view, a firm's resources and its assortment of resources provide competitive advantage (Smith, Vasudevan, & Tanniru, 1996) if the resources and the assortment of the resources are rare, valuable (Barney, 1991), imperfectly imitable (Barney, 1991; Dierickx & Cool, 1989), imperfectly substitutable (Barney, 1991; Dierickx & Cool, 1989), and imperfectly mobile (Collis, 1991; Dierickx & Cool, 1989). These resources may include brand names, knowledge of technology, employment of skilled personnel, trade contacts, machinery, efficient procedures, capital (Wernerfelt, 1984), capabilities, organisational processes, firm attributes and information (Barney, 1991). It is also noted that a firm's resources can be "external" to the firm (Srivastava, Shervani, & Fahey, 1998) as long as the resources are "available" (Hunt & Morgan, 1995), "addressable" (Sanchez & Heene, 1997) or "tied semi-permanently" (Wernerfelt, 1984) to the firm. Customers or customer relationships are viewed as important external resources of the firm or sources of resources (Ford, Gadde, Håkansson, & Snehota, 2006; Håkansson & Snehota, 1995; Storbacka & Nenonen, 2009). Hunt, Arnett, and Madhavaram (2006, p. 77) explicitly state that "relationships become relational resources when they contribute to the firm's ability to efficiently/effectively produce market offerings that have value for some market segments". Srivastava et al. (1998) note that customers have resources that are complementary to the seller's resources. Therefore, if a firm is able to engage a customer in co-creation and make good use of the complementary resources of the two firms, the customer becomes one of the firm's relational resources.

Research on resources in the relationship context has focused more on the use of the firm's internal resources for serving the customer's needs than on making good use of the buyer's resources together with the seller's resources for the benefit of both firms. It is widely recognised in the sales literature that salespeople's capability to orchestrate sellers' resources in dealing with customers is very important for achieving positive relationship outcomes (Bistriz, Gardner, & Klompmaker, 1998; Plouffe & Barclay, 2007; Rosenbaum, 2001). Researchers have examined the impact of the availability of

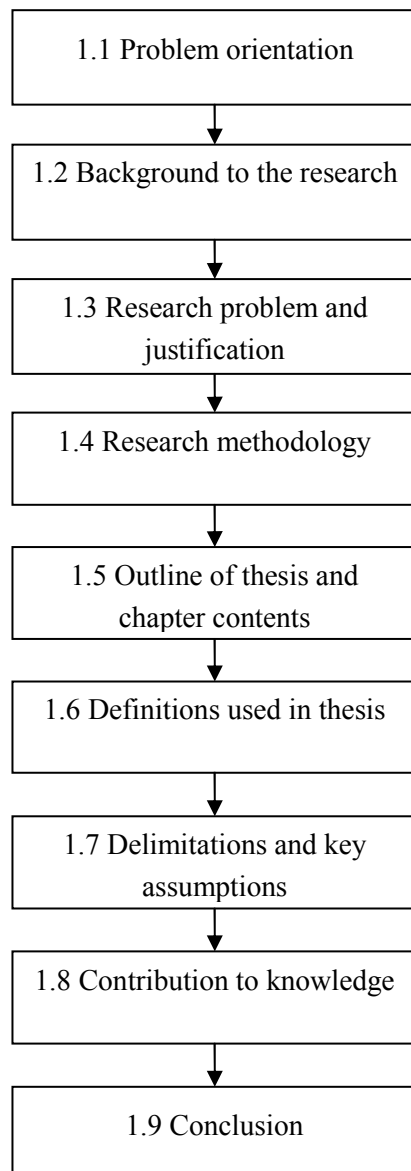
the seller's internal resources to the selling team on the effectiveness of the relationship for the seller (Helfert, Ritter, & Walter, 2002) or the effectiveness of the seller's key account management programme and the seller firm's performance (Workman, Homburg, & Jensen, 2003). The results suggest that the availability of the resources to the relationship is critically important for obtaining good outcomes of the relationship for the seller.

However, researchers have not examined the availability of the buyer's resources clearly despite the fact that making good use of the buyer's resources for co-creation is also important. Vargo and Lusch (2011) point out that in business-to-business relationships value is co-created through the integration of the two firms' resources. The resources of the two firms for integration are likely to complement each other to a certain degree. Dyer and Singh (1998) argue that the complementary resources available to and the relationship-specific investments made by the two relationship partners are critically important for relational rent generation. Storbacka and Nenonen (2009) further note that the magnitude and relevancy of customers' extant resources for relationship value co-creation are heterogeneous, and customers' propensity to apply their resources in their supply relationships varies, or a firm's ability to engage customers in value co-creation varies. If a selling firm is not able to engage a customer in encounter processes that create value, it will not be able to make use of the buyer's resources for value creation. On the other hand, if a firm is able to engage a customer in co-creation related dialogue, new knowledge about the relationship may be created and innovative ideas for co-creation may emerge (Ballantyne, 2004; Ballantyne & Varey, 2006a). Therefore, it is important to examine how the level of buyer's resources being accessed and used for co-creation could be influenced. That is why this thesis investigates how the salesperson can influence this availability of the buyer's resources through his/her relationship focus measured by the intensity of a set of relevant relationship activities.

This chapter provides an overview of this thesis. The outline of this chapter is given in Figure 1-1. As shown in Figure 1-1, the background to the research is discussed next,

followed by the discussion of the research problem and justification. Then methodology employed in the current research is explained. After that, the outline of this thesis and the contents of each chapter are presented. Then the definitions used in the thesis are provided, followed by the outline of the delimitations and key assumptions. Contribution to knowledge is then discussed, followed by the conclusion.

Figure 1-1 Chapter outline



1.2 Background to the research

Realising potential relationship value is very important for the seller. Researchers recognise that collaborative customer relationships are one of the firm's most important assets (Webster, 1992), can lead to cost reduction (Kalwani & Narayandas, 1995), enhance and accelerate cash flows, and contribute to the firm's shareholder value in the long term (Srivastava et al., 1998). However, it takes lots of time and effort to establish a relationship (Awuah, 2001; Blois, 1998). Researchers argue that investing or building close relationships for every customer is neither appropriate nor necessary (Day, 2000), firms should always carefully evaluate the potential value of a relationship before further commitment is made (Jackson, 1985), or ask when and for which customers relationship marketing is a good strategy (Selnes & Johnson, 2004). Thus, once a relationship is established, firms should try to capture the value of the relationship (Storbacka & Nenonen, 2009).

With respect to the realisation of the potential value of a relationship and its association with the use of the buyer's resources, researchers have made a distinction between the potential value and the realised value of a relationship. Madhok and Tallman (1998, p. 328) suggest that the potential value of a collaborative relationship is associated with "the theoretical synergies arising from the ideal combination of complementary resources and capabilities of the two firms", and that the realised value should reflect the realities on the ground and is influenced by the way the relationship is managed. According to Penrose (2009, p. 22), "exactly the same resource when used for different purposes or in different ways and in combination with different types or amounts of other resources provides a different service or set of services". Thus the actual realised relationship value may vary depending on how the useful/relevant buyer's resources are combined and used with the seller's resources for relationship value creation.

The relationship value research also shows that relationship value is associated with the

resources of the two firms involved in the relationship. Researchers note that firms enter into a relationship not just because of the value of the goods or services being exchanged, but also for the long-term value of the relationship (Lindgreen & Wynstra, 2005). Wilson and Jantrania (1994) argue that apart from the economic dimension, industrial business relationship value also has a strategic dimension, which is associated with the goals and core competencies of the two firms and the strategic fit of the two firms. Improved product quality and increased process efficiency brought by the relationship are perceived as of value for both the seller and the buyer (Hogan, 2001; Ulaga, 2003). While the technology transfer from the buyer to the seller is perceived as of value for the seller (Hogan, 2001), the seller's know-how is perceived as of value for the buyer (Ulaga, 2003; Ulaga & Chacour, 2001; Ulaga & Eggert, 2005). Möller (2006) argues that relationship value should include the value created through buyer-seller joint activities, which will allow for the joint use of both the seller's and the buyer's technologies or know-how. Vargo and Lusch (2008), in particular, point out that relationship value is co-created by the two relationship parties through the integration of their resources.

The literature suggests that useful buyer's resources for co-creation may cover all types of resources a firm has, including human resources, organisational resources, informational resources, relational resources, financial and physical resources (Morgan & Hunt, 1999). In buyer-seller relationships, researchers argue that buyer's skills, such as their competence in clearly defining and describing their problems and their ability to integrate an offering with the offerings of other suppliers and with their own operations, can influence the effectiveness of the seller's offering (Ford et al., 2006), and thus influence relationship value co-creation. A reseller's experience and knowledge in the supplier's product category, and capability in administration, supervision and making strategic decisions can contribute to the supplier's human resource development (Kumar, Stern, & Achrol, 1992) and are important for achieving good market share for both firms (Morgan & Hunt, 1999). Buyers may have the information and technology that is useful for a seller (Ford et al., 2006; Morgan & Hunt, 1999) and provide input to the

development of new product for the seller (Barringer & Harrison, 2000; Walter, Ritter, & Gemünden, 2001). Buyers' relationships with other third parties may be useful for a seller to access new markets, to gain useful information and to gain access to other important organisations (Barringer & Harrison, 2000; Baxter & Matear, 2004; Walter, Ritter, & Gemünden, 2001). Buyers' financial resources and physical resources may be important for a seller to obtain good profit and sales volume (Walter, Ritter, & Gemünden, 2001) and thus to achieve economies of scale (Barringer & Harrison, 2000). Buyers may make relationship-specific investments for capturing value co-creation opportunities in a relationship (Dyer & Singh, 1998). They may make relationship-specific adaptations in areas such as procedures, product specifications, delivery requirement, or payment terms for lowering the operational cost in a relationship and for meeting end customers' demands faster than competing supply chains (Schmidt, Tyler, & Brennan, 2007). The adaptations help the seller to benefit from the buyer's relationship-specific allocation of resources. Therefore, obtaining buyers' allocation of resources to the relationship for value co-creation is critically important for relationship value realisation for the seller. Thus investigating how salesperson's relationship focus influences the availability of the buyer's resources is important.

1.3 Research problem and research justification

The background of this research problem spans two areas of research: relationship marketing and personal selling. These literatures are useful for understanding why the availability of the buyer's resources needs to be investigated to examine the role of the salesperson in co-creation and relationship value realisation for the seller and they will be discussed in depth in the chapters that follow.

To provide focus for this investigation, the research problem is stated here:

How does the level of a salesperson's relationship focus influence the availability of the buyer's resources and the relationship performance from the seller's perspective?

This thesis argues that relationship value realisation for the seller is associated with the

availability of the buyer's resources, i.e., the level the buyer's resources are accessed and used for co-creation, and the salesperson can make a difference in this availability and realise good relationship performance for the seller. Researchers note that in business-to-business relationships, value is co-created through mutual service provision and resource integration (Vargo & Lusch, 2011), and firms should always collaborate with customers and other network partners for value co-creation through the integration of their relevant resources (Lusch, Vargo, & O'Brien, 2007). However, how the buyer's resources become integrated for value co-creation needs to be examined as buyers may not want to allocate their resources towards the relationship for co-creation (Storbacka & Nenonen, 2009). Schneider argues that research is needed to identify the attributes of the people who create a service climate for value co-creation and what these people do to create the service climate and get customer involved in co-creation (cf. Ostrom et al., 2010). Salespeople are the ones who are most likely to carry out the task of engaging customers. It is suggested that boundary personnel, such as salespeople, play a critical role in making use of the interaction platform for value co-creation in relationships (Grönroos, 2008). Sales researchers also suggest that research is needed for exploring the role of the sales force in co-creating value with customers (Avlonitis & Panagopoulos, 2010). By examining how the level of the salesperson's relationship focus influences the availability of the buyer's resources for co-creation and relationship performance for the seller, this research helps to explore the salesperson's role in co-creation.

The salesperson's relationship focus level refers to the level of attention a salesperson allocates to gaining access to a buyer's resources and making good use of the resources for realising the potential value of the relationship for the seller. Researchers note that attention or attentional resource is a limited-availability cognitive resource that can be allocated to different activities or devoted to a task and it is associated with a person's effort (Kanfer & Ackerman, 1989). With a certain level of relationship focus, the salesperson will devote his/her effort towards the activities that are relevant to achieving high availability of the buyer's resources and thus high relationship performance for the

seller. The relevant activities are identified in this study, and the salesperson's relationship focus level is assessed by the intensity of these relevant activities or the effort the salesperson devotes to the activities.

The relevant salesperson's activities are identified in the literature and in the study's qualitative investigation in order to explore the full meaning of the salesperson's attention to the availability of the buyer's resources, and thus co-creation, based on the actor-activity-resource (ARA) model from the network theory. Researchers argue that resources need to be activated by actors (e.g., salespeople) through activities to realise or release their inherent services and create value (Håkansson & Snehota, 1995). A salesperson who views a relationship as having higher value potential is likely to pay more attention to the relationship, and thus to expend more effort on relevant relationship activities to realise the potential of the relationship. However, the research into salespeople's effort has not clarified the relevant activities that are useful for achieving good performance (Brashear, Bellenger, Ingram, & Barksdale, 1997), especially the activities that are important in the contemporary market. Researchers argue that managers need to know what activities are relevant to good sales performance in today's rapid changing environment so that they can direct their salespeople's effort accordingly or train their salespeople to be effective (Moncrief, Marshall, & Lassk, 2006). Because co-creation is viewed as important in today's selling environment (Avlonitis & Panagopoulos, 2010), understanding what salesperson's activities that are relevant to the availability of the buyer's resources for co-creation and thus relationship value realisation for the seller will be important.

This research helps to direct practitioners' attention to resource integration and co-creation, making good use of the resources of the buyer, rather than focusing on what sellers are offering at the moment. With this way of thinking, more business opportunities may be identified and realised from the firm's existing customer relationships. This issue of opportunity identification is important as the productivity of the sales process is a major concern for many firms (Mantrala, Albers, Gopalakrishna,

& Joseph, 2008), and more than ever before, sales forces are held accountable for their actions in monetary terms (Geiger & Guenzi, 2009). Development of tools to recognise and influence sales force outcomes is therefore important. This study contributes to this development.

1.4 Research methodology

Three important research questions that this study will explore in order to help deal with the research problem stated above are:

- 1) How to measure the availability of a buyer's resources?
- 2) How to measure the level of a salesperson's relationship focus?
- 3) How does the level of a salesperson's relationship focus influence the availability of the buyer's resources and the relationship performance for the seller?

To explore how the salesperson's relationship focus influences the availability of the buyer's resources and the relationship performance for the seller, a mixed-method research design is implemented. A conceptual model structure is established based on the literature, and six salesperson's activities are identified from the literature as relevant to gaining high availability of the buyer's resources and achieving good relationship performance for the seller. Qualitative research validates the relevance of these activities, and generates the measures for the salesperson's relationship focus and the availability of the buyer's resources and further develops the research model for quantitative testing. Within the qualitative phase, interviews are undertaken with sales professionals in New Zealand.

Within the research model, the availability of the buyer's resources is placed as a partial mediator between the salesperson's relationship focus level and the relationship performance for the seller. In addition, the salesperson's relationship focus level is reflected in the levels of intensity of the six salesperson's relationship activities. The measures for the relationship performance for the seller are selected from the literature

based on the qualitative research results. Then quantitative research validates the scales developed and tests hypotheses of the current research.

Three hypotheses correspond to the paths between the model's three constructs:

Hypothesis 1: The availability of the buyer's resources has a positive impact on the financial performance of the relationship for the seller.

Hypothesis 2: The level of a salesperson's relationship focus has a positive effect on the availability of the buyer's resources.

Hypothesis 3: The level of a salesperson's relationship focus has a positive effect on the financial performance of the relationship for the seller.

These hypotheses are tested through a survey of sales professionals in New Zealand. The mail survey uses the database from Kompass, which is a business search engine that provides information about companies, people, products and services. A wide range of manufacturing and service industries are selected and the questionnaires are addressed to sales managers. The email survey is sent to the subscribers of NZ Sales Manager e-magazine.

Structural equation modelling is used to analyse the data and test the conceptual model. The convergent validity and discriminant validity of the constructs are tested through the estimation of a measurement model.

1.5 Outline of the thesis

This section briefly outlines the chapters in the thesis. Chapter 1 (this chapter) introduces the research project, and provides a background to the research problem and a justification of the research in the context of the literature. Research methodology is then discussed. Important definitions are clarified and the limitations of the research are provided. Finally the contribution to knowledge of this research is considered.

Chapter 2 discusses the conceptual model structure, and reviews the literatures that are relevant to the three major constructs in the conceptual model: salesperson's relationship focus, the availability of the buyer's resources, and the relationship performance for the seller. Gaps in the existing literatures are identified and the research questions are clarified.

Chapter 3 presents a mixed-method approach for this research. Various research paradigms are considered first and the selection of the research methodology is then justified. Then the qualitative method is outlined. The data collection method and qualitative data analysis method are explained, together with the issue of research validity and reliability. Ethical issues for both the qualitative and quantitative research are considered.

Chapter 4 focuses on qualitative data analysis and development of the conceptual framework. Relevant constructs and hypothesised relationships are identified in terms of their conceptual and empirical meaning.

Chapter 5 discusses the quantitative method used to empirically validate the conceptual framework developed in Chapter 4. The operationalisation and measurement of each construct in the conceptual model is presented. Issues of construct validity assessment are discussed, and the use of structural equation modelling is justified. Data collection method and data analysis strategy are then discussed.

Chapter 6 presents the analysis of the quantitative findings. The response rate and the profile of respondents and customer relationships are presented first. Then a preliminary analysis is undertaken to ensure that the data is suitable for structural equation modelling. The scales are tested first through the examination of the measurement models of the constructs. Then the structural model is tested and the overall goodness of fit is evaluated. A rival model is presented. Then the mediating effect of the availability of the buyer's resources is tested, followed by the examination of the moderation effect

of buyer's firm size.

Chapter 7 discusses the overall findings for the three research questions and their implications. An overview of the study is first presented followed by the significance of the findings and contribution to knowledge. Then the managerial implications, research limitations and implications for future research are discussed.

1.6 Definitions

The key concepts used in the current research are summarised in Table 1-1. As shown in Table 1-1, this research adopts the view that value is co-created in the relationship through the integration of the resources of both firms (Lusch et al., 2007; Vargo & Lusch, 2011). Thus gaining the availability of the buyer's resources for value creation in the relationship is very important for the seller to realise the potential value of the relationship. In the addition, researchers argue that value co-creation should be reciprocal for the two firms involved in the relationship (Ballantyne & Varey, 2006a). Therefore, in this thesis co-creation is referred to as the process by which both buyer and seller create value in their relationship through the use of their joint resources. The value co-created does not include the value brought by the relationship but appropriated by one firm only. For example, the seller may obtain benefit or value through using the solution created in a buyer relationship to co-creating value with another customer. The seller may also obtain benefit or value through a buyer's referrals. These benefits or values are not shared by the buyer. This thesis does not include the discussion of these benefits or values. It also does not assess co-creation. This thesis discusses co-creation because it stresses the importance of the inputs of the resources from the buyer for value creation in the relationship, for which this thesis has specifically proposed the construct of the availability of the buyer's resources. In addition, a salesperson's relationship focus is proposed to be the salesperson's attribute that would influence this availability.

Resources are defined as "the tangible and intangible entities available to the firm that enable it to produce efficiently and/or effectively a market offering that has value for

some market segment or segments” (Hunt & Morgan, 1995, p. 6). While some researchers suggest that capabilities are different from resources (e.g., Storbacka & Nenonen, 2009), others include capabilities in the firm’s resources (e.g., Barney, 1991; Madhavaram & Hunt, 2008). This research takes the latter view.

This research is interested in the buyer’s resources that are useful for relationship value co-creation. As will be discussed in Chapter 2, researchers suggest that a buyer’s resources that are useful for the seller may include human resources, organisational resources, relational resources, physical resources and financial resources (Baxter & Matear, 2004; Morgan & Hunt, 1999). This research explores further, from the salesperson’s perspective, why these buyer’s resources are useful for relationship value co-creation so that measures for the availability of the buyer’s resources can be generated. As will be discussed in Chapter 4, buyer’s human resources, organisational resources and relational resources are viewed as useful for co-creation when they offer useful data, information, knowledge, or innovative ideas for co-creation. Buyer’s financial resources are always necessary for securing the payment or making repeat purchases from the seller. Finally, buyer’s physical resources are useful only when the co-creation process requires the use of the resources.

Table 1-1 Key concepts

Concepts	Definitions
Value creation in the buyer-seller relationship	Value is co-created through the integration of the resources of the seller and the buyer (Lusch et al., 2007; Vargo & Lusch, 2011), and value creation is reciprocal (Ballantyne & Varey, 2006a).
Co-creation	It refers to the process by which both buyer and seller create value in their relationship through the use of their joint resources.
Resources	Defined as “the tangible and intangible entities available to the firm that enable it to produce efficiently and/or effectively a market offering that has value for some market segment or segments” (Hunt & Morgan, 1995, p. 6).
Buyer’s resources	Defined as the buyer’s resources that are useful for the seller to co-create value with the buyer. The resources may include human resources, organisational resources, relational resources, financial resources and physical resources.

Table 1-1 Key concepts (continued)

Concepts	Definitions
Buyer's human resources	Defined as information, knowledge or innovative ideas provided by the people from a buyer's firm that are useful for the seller to co-create value with the buyer.
Buyer's organisational resources	Defined as information or data available from a buyer's organisation that is useful for the seller to co-create value with the buyer.
Buyer's relational resources	Defined as information or knowledge available from a buyer's relationships with other this parties that is useful for the seller to co-create value with the buyer.
Buyer's financial resources	Defined as money or financial capable available from a buyer that is useful for maintaining and developing the relationship.
Buyer's physical resources	Defined as physical facilities or materials available from a buyer that are useful for the seller to co-create value with the buyer.
Availability of a buyer's resources	Defined as the level a buyer's resources are accessed and used for relationship value co-creation
Level of a salesperson's relationship focus	Defined as the level of attention the salesperson allocates to gaining access to a buyer's resources and making good use of the resources for realising the potential value of the relationship for the seller. It has six dimensions, which correspond to intensity levels of these activities: learning about the seller's resources, learning about the buyer, customer contact, service, selling and coordination.
Intensity of learning about the seller's resources activity	Defined as the level of effort the salesperson devotes to improving knowledge about the seller's business
Intensity of learning about the buyer activity	Defined as the level of effort the salesperson devotes to improving knowledge about the buyer's business
Intensity of customer contact activity	Defined as the level of effort the salesperson devotes to developing the relationship with the customer through regular contacts
Intensity of service activity	Defined as the level of effort the salesperson devotes to developing the relationship with the customer through service
Intensity of selling activity	Defined as the level of effort the salesperson devotes to engaging the customer in co-creation related communication.
Intensity of coordination activity	Defined as the level of effort the salesperson devotes to aligning relevant parties' activities that are interdependent for value co-creation
Relationship performance	Refers to the financial performance of the relationship for the seller.

The level of a salesperson's relationship focus is defined as the level of attention the salesperson allocates to gaining access to a buyer's resources and making good use of the resources for realising the potential value of the relationship for the seller. This relationship focus is reflected in six dimensions, which correspond to intensity levels of these activities: learning about the seller's resources; learning about the buyer; customer contact; service; selling; and coordination. As will be discussed in Chapter 4, learning about the seller's resources and the buyer's business are important for identifying co-creation opportunities in the relationship and to persuade the buyer to allocate resources to the relationship for co-creation. Customer contact and service activities provide chances that are important for having co-creation related dialogue with the customer. Selling activity applies the knowledge learned through learning activity and identifies the co-creation opportunities and the relevant solutions, and communicates value propositions effectively with the customer. Coordination pulls relevant actors and resources together and facilitates the co-creation process. Researchers argue that value propositions can be seen as resource integration promises as the propositions suggest ways the seller's resources fit into the customer's business value creating process (Storbacka & Nenonen, 2009). By communicating the value propositions, bringing relevant actors and resources for co-creation and facilitating the process, the salesperson is helping with the integration of the two firms' resources and thus co-creation.

Relationship performance refers to the financial performance of the relationship for the seller, and is measured from the salesperson's perspective in this study. This study measures relationship performance in terms of achieving sales targets, share of customer's business, cross-selling and margin. As will be discussed in Chapter 4, good availability of buyer's resources typically is associated with good share of customer's business and cross-selling, and salespeople should aim for good margin in the co-creation process and help the seller to obtain a fair share of the value co-created.

1.7 Delimitations

This study focuses on realising relationship value in on-going long-term oriented

business-to-business buyer-seller relationships. In addition, it chooses to investigate the salespeople who work in the field, and have sales targets to achieve in their on-going relationship development process rather than approaching new customers. Back office sales support staff are not considered as important as field salespeople in terms of obtaining access to buyer's resources. Field salespeople actually have the chance to go inside buyer's organisation and observe the operations of buyer's organisation. This research also excludes pure technical service support people as they may not have a sales objective to be achieved and will not be able to respond to the questions on the financial performance of the relationship.

The current research focuses on the development of two new constructs: the availability of the buyer's resources and the salesperson's relationship focus level, and how they impact on the relationship performance for the seller. It also examines the moderation effect of the customer's firm size on the relationship between these three constructs. A large size customer may have more resources that are useful for value co-creation and more effort may be required from the salesperson to explore how could these potentially available resources from the buyer be combined and used with the resources of the seller for value creation for both firms.

Some other factors are also important moderators, however, are not included in this thesis in order to maintain focus on the key ideas. One potential moderator may be the number of network actors involved in the value co-creation. Researchers note that firms may need to draw on the resources of other actors in their network for solving a customer's problems (Håkansson & Snehota, 1995), and firms should always collaborate with customers and other network partners for value co-creation through the integration of their relevant resources (Lusch et al., 2007). Salespeople, in fact, have been coordinating the activities between the seller and the buyer, and the activities with other relevant third parties (Marshall et al., 1999; Moncrief et al., 2006; Walter & Gemünden, 2000). When more actors are involved in co-creation, the salesperson will need to expend more effort on learning about how different actors' resources could be

used for value creation for the actors involved, and to expend more effort on coordinating the interdependent activities of the relevant actors.

Another potential moderator may be the magnitude of the customer's perceived risk in providing the seller with access to their resources. Researchers note opportunistic behaviour of partners will limit the scope of collaboration and knowledge transfer in the relationship (Parkhe, 1993) and effective governance mechanisms will encourage the relationship partners to engage in value-creation initiatives (Dyer & Singh, 1998). Therefore, if a customer perceives that the risk in providing the seller the access of their resources is high, they may set an upper limit to the availability of their resources for the relationship and the salesperson will need to work much harder to identify ways to reduce this concern and to persuade two firms to invest in establishing the effective governance mechanisms to reduce the risk.

1.8 Contribution to knowledge

This thesis makes a number of theoretical, empirical and managerial contributions to marketing knowledge. The theoretical contributions include identification of a set of salesperson's activities that indicate the salesperson's focus on and attention to the relationship for realising accessibility of the buyers' resources and include the development and clarification of the domains of two constructs: the availability of the buyer's resources and the salesperson's relationship focus. The development of the scales for measuring the intensity of the selling activity (combines both consultative/solution selling and adaptive selling) and the coordination activity is also a contribution. The empirical results of the study show that the availability of the buyer's resources is positively associated with the relationship performance for the seller. Further, this availability is associated with the salesperson's relationship focus. The research clarifies what salespeople do to obtain good level of access to the buyer's resources and to make good use of the resources for co-creation, which aids the achievement of good relationship performance for the seller.

The managerial contributions highlight the importance of directing salespeople's efforts towards understanding buyer's business and resources and how the seller may support the buyer's business through the combined use of the two firms' resources. It highlights the importance for motivating salespeople to continuously upgrade their knowledge in the field, helping salespeople to develop competence in solution selling, and developing systems for efficient coordination inside the organisation. The research also suggests that firms may direct their sales effort towards the customers who have a higher level of resources that are complementary to the sellers.

1.9 Conclusion

This chapter lays the foundations for this thesis by introducing the background to the research and the research problem. A justification for investigating the research problem is outlined, together with an explanation of the research methodology used. The contents of each chapter are then presented within the overall structure of the thesis. Explanations of key definitions and the delimitations of the current research are provided. The potential contributions of this research to marketing knowledge are presented. The literature review is provided in the next chapter.

2 Literature review

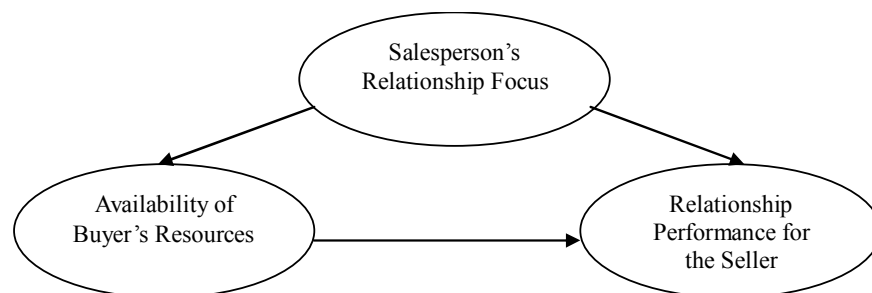
2.1 Introduction

Salespeople, who are a focus of this study, work at the boundary between the firm and the customers. They are most likely to be involved in the activities for engaging the customer in co-creation, which makes use of both firms' resources for value creation for both firms. Hence study of their contribution to co-creation is important to realise the potential value of the customer relationship. The following review provides the grounding in the literature for the research problem:

How does the level of a salesperson's relationship focus influence the availability of the buyer's resources and the relationship performance from the seller's perspective?

For ease of understanding of this chapter's literature review, the framework of the current study is provided in Figure 2-1.

Figure 2-1 Research framework

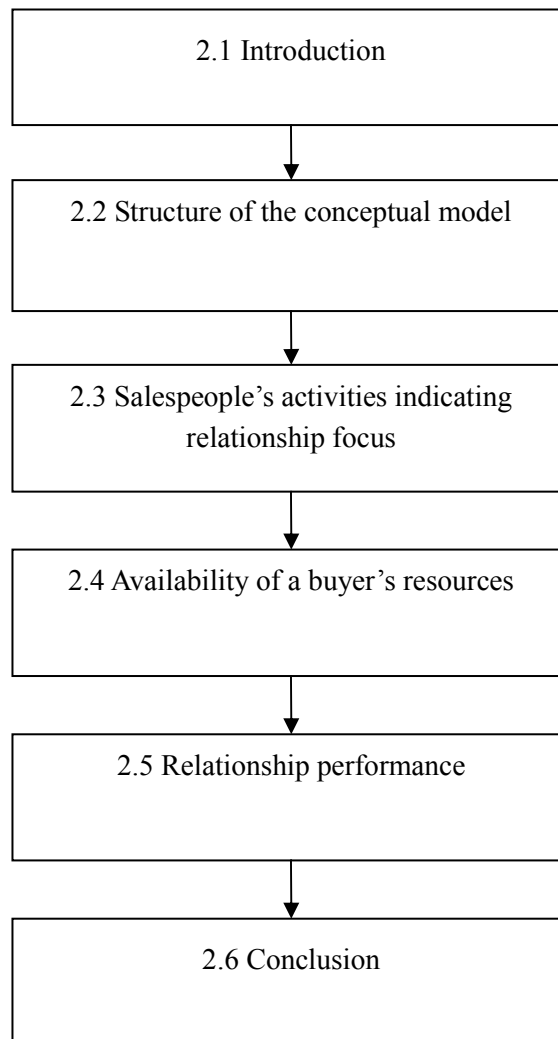


As shown in Figure 2-1, there are three main constructs in the current research model, the availability of the buyer's resources, the salesperson's relationship focus, and the relationship performance for the seller. The framework suggests that salesperson will be able to influence the level the buyer's resources are accessed and used for the benefit of both firms and thus affect the relationship performance for the seller through his/her

relationship focus. Salesperson's relationship focus is an attribute of the salesperson proposed in the current study that directs the salesperson's relationship activities towards the ones that will influence the level the buyer's resources are accessed and used for value creation for both the buyer and the seller. The relevant activities are identified in the current study.

An outline of the chapter is given in Figure 2-2. As shown in Figure 2-2, after introduction, the structure of the conceptual model is discussed. Then salespeople's relationship activities that indicate their relationship focus are reviewed in section 2.3, followed by the review of the literature that is relevant to the availability of a buyer's resources in section 2.4 and the review of the literature on relationship performance in section 2.5. A conclusion of the chapter is provided in section 2.6.

Figure 2-2 Chapter outline



2.2 Structure of the conceptual model

This section reviews three theoretical frameworks that are relevant to the conceptual model of the current study presented above in Figure 2-1 and that explain the relationships between the constructs denoted in the figure as paths between the constructs. The three frameworks are the resource-based view (RBV) of the firm (Barney, 1991; Wernerfelt, 1984), the service-dominant (SD) logic (Vargo & Lusch, 2004) and the network theory (e.g., Håkansson & Snehota, 1995). All of these three frameworks derive in part from Penrose (1959).

2.2.1 The RBV of the firm

The RBV is relevant to the current study as it clarifies three issues. Firstly, it suggests that buyer's resources are available to relationship value co-creation and may enhance the seller's competitive advantage. A firm can earn relational rents that are jointly generated with collaborative relationship partners (Dyer & Singh, 1998). Competitive advantages can be obtained through combination of the complementary skills of the parties involved in the relationship (Hall, 1993; Itami, 1987; Winter, 1987). Morgan and Hunt (1999) suggest that buyer's resources that have potential to contribute to the seller's competitive advantage may cover all types of resources, including human, organisational, informational, relational, financial and physical resources.

For example, a reseller's experience and product knowledge in the supplier's product category, and capability in administration, supervision and making strategic decisions can contribute to the supplier's human resource development (Kumar et al., 1992) and are important for achieving good market share for both firms (Morgan & Hunt, 1999). Buyers may have the information and technology that is useful for the seller and provide input to the development of new products for the seller (Barringer & Harrison, 2000; Walter, Ritter, & Gemünden, 2001). Buyers' relationships with other third parties may be useful for the seller for accessing new market, useful information and other important organisations (Barringer & Harrison, 2000; Baxter & Matear, 2004; Walter, Ritter, & Gemünden, 2001). Buyers' financial resources and physical resources are

important for the seller to obtain good profit and volume from the buyer (Walter, Ritter, & Gemünden, 2001) and thus to achieve economies of scale (Barringer & Harrison, 2000).

Secondly, the RBV suggests that the availability of the buyer's resources is associated with the level of useful knowledge or complementary resources shared by the buyer and the level of buyer's investments in the relationship, and boundary personnel, such as salesperson, can influence the level of this availability through establishing trust and stimulating value co-creation dialogue during inter-firm knowledge sharing routine activities. According to the relational view of the RBV, relational rents come from four sources: (1) specific assets firms dedicate to the relationship, (2) complementary resources/capabilities of the two firms, (3) effective governance structure, (4) and knowledge-sharing routines evolved over time (Dyer & Singh, 1998). Relationship-specific investments may improve productivity through unique combination of resources, thus creating value for the firms involved in the relationship. Complementary resources allow firms to collectively generate rents greater than the sum of those obtained from the individual resources of each partner. Lavie (2006) notes that higher level and larger scale of complementary resources shared between the partners will lead to higher potential for relational rent generation. The resources can be both tangible and intangible, such as brand names, knowledge of technology, employment of skilled personnel, trade contacts, machinery, efficient procedures, capital (Wernerfelt, 1984), capabilities, organisational processes, firm attributes, information, etc. (Barney, 1991).

Effective governance mechanisms will lower transaction costs, encourage the relationship partners to engage in value-creation initiatives, and allow for the realisation of rents through synergistic combination of assets, knowledge or capabilities of the two firms (Dyer & Singh, 1998). Opportunistic behaviour of partners will limit the scope of collaboration and knowledge transfer (Parkhe, 1993) and thus fewer relational rents will be generated. Trust reduces relationship partners' risks concerning investment decisions

and activities because the partners view negative consequences as less likely (Dodgson, 1993; Littler, Leverick, & Bruce, 1995). Since establishing customers' trust is a major task for salespeople in relationship selling (e.g., Weitz & Bradford, 1999), they can aid relationship rent generation by helping to establish the trust that is necessary for reducing the customer's concern over allocating their resources towards the relationship, such as making relationship-specific adaptations. If a customer perceives that there is high risk associated with the investment in the relationship, a large amount of effort will be needed from the salesperson for establishing a governance mechanism for reducing the risk.

Knowledge sharing routines help two firms to learn from each other and to generate ideas for innovation (Dyer & Singh, 1998). Boundary personnel, such as salespeople, will be participating in these knowledge sharing routines and activities and thus will be able to learn about the customer's business in great depth and may generate innovative ideas for co-creation through this learning. In fact, the learning literature suggests that a firm's absorptive capacity, that is, a firm's "ability to recognise the value of new, external information, assimilate it, and apply it to commercial ends" (Cohen & Levinthal, 1990, p. 128), depends on the absorptive capacities of the firm's employees "who stand at the interface of either the firm and the external environment or at the interface between the subunits of the firm" (Cohen & Levinthal, 1990, p. 132). Salespeople work at the interface of the two firms and thus are influential in the firm's learning from the customer.

In the sales literature, salespeople have been viewed as the firm's important information gatherer for decades (e.g., Moss, 1979; Webster Jr., 1965). Through their daily contacts with customers, salespeople can help to identify the problems in the current products, and help to generate new product ideas, to prepare presentation kits and to design new advertising programmes; they can easily collect information on competitor's activities and customer plans (Moss, 1979) with very limited additional cost and effort (Webster Jr., 1965). Salespeople are viewed as the "most logical source of customer information

relating to new product development” (Gordon, Schoenbachler, Kaminski, & Brouchous, 1997, p. 33). It is further noted that salespeople will be motivated to collect market information if they feel themselves to be an integral part of the marketing information system (K. R. Evans & Schlacter, 1985), and see that the use of the information has made their selling jobs easier because the efficient and intelligent use of the information they gathered has led to products and marketing strategies that are better tuned to the ever-changing market environment (Webster Jr., 1965).

Salespeople play an important role in acquiring the knowledge from the customer about their business for co-creation, especially because this learning involves tacit knowledge. Researchers find that the content of salespeople’s client learning is context-specific (Turley & Geiger, 2006), and thus has a certain degree of “tacitness” (Inkpen & Dinur, 1998). The learning literature suggests that when the knowledge becomes more tacit, it is less teachable, less codifiable, and thus less transferable (Kogut & Zander, 1992). Nonoka (1994) argues that the key to acquiring tacit knowledge is shared experience, and that the mere transfer of information may make little sense if it is abstracted from nuanced contexts that are associated with shared experiences. Salespeople, by working closely with customers, will have shared experiences with customers, and will develop the “co-specialised” knowledge (Dyer & Singh, 1998) needed for understanding customers. For example, if a buyer asks for a change of a particular feature of a product, the salesperson will be able to understand why they ask for the change as he/she would have developed the contextual knowledge of the buyer’s problem through his/her routine contacts with the buyer. This “background intelligence” information is seen as particularly important for seller firms (Moss, 1979). Sellers will be able to solve the buyer’s problem in a way that is effective in supporting the buyer’s overall business, and thus obtains good outcomes from the relationship in the long-term.

Thirdly, the RBV suggests that the buyer’s resources need to be utilised in a way that is effective in value creating for the seller. According to Penrose (1959), a firm’s economic value is created due to effective and innovative resources management, which affects

the productive services of the resources available to the firm (Kor & Mahoney, 2004; Mahoney, 1995). Penrose (2009, p. 22) points out that “exactly the same resource when used for different purposes or in different ways and in combination with different types or amounts of other resources provides a different service or set of services”. Resources allow a firm to do a better job of taking strategic actions, and the realisation of the potential value of the resources depends on how the resources are exploited through the firm’s strategic actions (Ketchen, Hult, & Slater, 2007). Thus, to transform buyer’s resource into relationship performance for the seller, strategic actions are required to exploit these resources. Sales researchers argue that, in partnering with customers, salespeople should play the role of value creator, identifying business investment opportunities for both the customer and the seller and convincing them to invest in the relationship (Weitz & Bradford, 1999). Therefore, salespeople can help with transforming the buyer’s resources into the seller’s performance through identifying how different resources of the two firms can be combined and used for value co-creation in the relationship, and persuading two firms to invest in the relationship.

Empirically, researchers have done some empirical research on the effect of the availability of resources to the relationship on relationship outcomes, and the findings are summarised in Table 2-1. All the four studies, Jap (1999), Baxter and Matear (2004), Palmatier, Dant, and Grewal (2007) and Tuli, Bharadwaj, and Kohli (2010), include the examination the impact of the resources available to the relationship on relationship outcomes. While Jap’s (1999) and Palmatier, Dant et al.’s (2007) studies examine relationship-specific investments the buyer and/or the seller makes to the relationship, Baxter and Matear (2004) investigate the dimensions of value brought by the resources of the buyer that are potentially accessible to the seller through the relationship.

Table 2-1 Relationship between resources available and relationship performance

Sources	Resources available	Relationship performance	Research context	Key findings
Jap (1999)	Idiosyncratic investments	Profit performance for the dyad (e.g., joint profit) Realised competitive advantage of the dyad	Longitudinal research Data collected from both sides of the dyad and from four Fortune 50 manufacturing companies	The dyad's coordination efforts and idiosyncratic investments are related positively to strategic outcomes of the relationship for the dyad. Goal congruence of the dyad and interpersonal trust facilitate coordination effort, and complementary capabilities of the dyad facilitate both effort and idiosyncratic investments.
Baxter and Matear (2004)	Intangible resources of the buyer	Expected future financial performance of the relationship for the seller	Suppliers or distributors of manufactured goods	The potential value of the intangible resources available through the customer relationship positively predicts the future financial performance of the relationship for the seller.
Palmatier, Dant et al. (2007)	Relationship-specific investments	Financial Performance for the seller Relational outcomes: <ul style="list-style-type: none"> • Cooperation • Conflict 	Longitudinal design A major Fortune 500 company (seller) and its local distributor agents (customers). Products include clothing, hardware, furniture and appliances.	Customer commitment and seller's and buyer's relationship-specific investments (RSIs) have direct effect on financial outcomes for the seller across five relationship models independent of measurement period or the inclusion of other focal constructs during mediation tests. In addition, trust, commitment and RSIs have direct effects on relational outcomes, which include cooperation and conflict.

Table 2-1 Relationship between resources available and relationship performance (continued)

Sources	Resources available	Relationship performance	Research context	Key findings
Tuli et al. (2010)	Relationship multiplexity	Sales growth Sales volatility	Data manually obtained from the filings of The Securities and Exchange Commission (SEC) Listed supplier firms that have only a single operating segment 200 supplier-customer relationships during 1997-2004 period	An increase in relationship multiplexity with a customer results in an increase in the supplier's sales to the customer and a decrease in sales volatility to that customer. Relationship multiplexity refers to the number of diverse types of ties between two firms. The effect of relationship multiplexity on sales becomes weaker as customer industry becomes more competitive. The negative effect of relationship multiplexity on sales volatility becomes stronger as customer industry becomes more competitive.

Tuli et al. (2010), on the other hand, test the impact of relationship multiplexity with a customer on the financial performance of the relationship for the seller. Relationship multiplexity refers to the number of diverse types of ties between the buyer and the seller (Tuli et al., 2010), and thus is associated with the availability of the resources to the relationship as more diverse types of ties between the two relationship partners potentially offer higher availability of the resources to the relationship. The results of these studies consistently suggest that the availability of the resources to the relationship has positive impact on the relationship performance for the seller.

Jap (1999) finds that both the dyad's relationship-specific investments and the dyad's coordination efforts are positively associated with the relationship outcomes for the dyad measured in terms of profit performance and realised competitive advantage. Profit performance refers to the profits that result from the interdependence of effort and investments that reside within the dyad. Realised competitive advantages refer to "strategic benefits gained over competing dyads that enable the dyad to compete more effectively in the market place" (Jap, 1999, p. 466). In addition, Jap (1999) finds that goal congruence of the dyad and interpersonal trust facilitate coordination effort, and complementary capabilities of the dyad facilitate both effort and idiosyncratic investments. Jap's (1999) research results suggest that the availability of the resources available to the relationship play a critical role for relationship value co-creation, especially the complementary resources. In addition, boundary people, such as salespeople, can help with the relationship value realisation process through developing customer's trust and coordinating two firms' activities that are interdependent.

Palmatier, Dant et al.'s (2007) study also includes relationship-specific investments made by the buyer and the seller. They group the outcomes of the relationship into two major categories: financial performance, which includes sales growth and overall financial performance for the seller, and relational outcomes, which include inter-firm cooperation and conflict. They test the effect of different sets of factors on the relationship outcomes based on five different perspectives of relationship performance:

commitment-trust, dependence, transaction cost economics, relational norms and RBV. They find that only customer's commitment and seller's and customer's relationship-specific investments (RSIs) have direct effect on financial outcomes for the seller across all the models regardless of measurement period or the inclusion of other focal constructs during mediation tests. For relational outcomes (i.e., cooperation and conflict), only customer's trust and commitment, and customer's and seller's RSIs have direct effects on these relational outcomes across all measurement periods and perspectives. This again suggests that obtaining customer's trust and commitment and persuading the customer and the seller to invest in the relationship are important for realising the relationship value for the seller, and salesperson should direct their activities towards these areas.

Baxter and Matear's (2004) research focuses on identification of the dimensions of the relationship value for the seller brought by the buyer's resources. They investigate the impact of the value associated with buyer's human intellectual capital (i.e., buyer's employees' competence, intellectual agility, and attitude) and structural intellectual capital (i.e., buyer's organisational intellectual capital, relationship with others, and renewal and development plans). They find that this potential value of the buyer's intellectual capital positively predicts the future financial performance of the relationship for the seller. This suggests that buyer's intellectual capital resources are an important value source for the seller.

Finally, Tuli et al. (2010) examine the effect of relationship multiplexity, which refers to the number of diverse types of ties between the buyer and the seller. The ties may include research-and-development alliance and a marketing alliance. They find that an increase in relationship multiplexity between a supplier and a customer results in an increase in the supplier's sales to the customer and a decrease in the supplier's sales volatility to that customer. In addition, they find that the effect of relationship multiplexity on the sales becomes weaker as the competition in the customer's industry becomes more intense, whereas the effect on sales volatility becomes stronger. The

findings suggest that higher availability of the buyer's resources can lead to better financial relationship performance for the seller.

In summary, relationship value co-creation is dependent on the scale and scope of the complementary resources shared by the two relationship parties and the strategic actions taken to exploit the resources. The usable resources from the buyer may include useful knowledge, complementary resources shared by the buyer, and relationship-specific investments made by the buyer (Dyer & Singh, 1998). However, trust needs to be established with the buyer to reduce their concern over allocating resources towards the seller. Empirical research results suggest that higher availability of the resources to the relationship can lead to higher relationship performance for the two parties involved. In addition, developing customer's trust and coordination efforts are important for realising the potential value of the resources available to the relationship.

As developing customer's trust is one of the major tasks of salespeople, they can help with obtaining customer's willingness to allocate resources to the relationship. In addition, through routine interactions with a customer, salespeople have chances to develop in-depth insights about the buyer's businesses and to identify innovative ideas for the benefit of both firms. Thus, they can help with transforming the buyer's resources into the seller's relationship performance through identifying how the two firms' relevant resources can be combined and used synergistically for co-creation or value creation for both firms, and persuading the two firms to invest in the relationship to capture the co-creation opportunities.

2.2.2 Using buyer's resources - the SD logic

There are ten foundational premises (FP) of the SD logic, and two of them are particularly relevant to the current research. These two FPs are listed as follows:

FP6: The customer is always a co-creator of value.

FP9: All social and economic actors are resource integrators. (Vargo & Lusch, 2008, p. 7)

FP6 is relevant to the current study as it suggests that the buyer's resources are an important part of the resources for value co-creation in a relationship. The SD logic views customers as primarily operant resources of the firm (i.e., resources that can act on other resources to produce an effect) and are active participants in relational exchanges and co-creation (Vargo & Lusch, 2004). For the service embedded in the products to be delivered, customers must learn to use, maintain, repair and adapt the product to their unique needs, usage situation, and behaviours. Therefore, in using a product, the customer is continuing the value-creation and delivery process, and thus is a value co-creator (Vargo & Lusch, 2004). Further the SD logic argues that value creation in relational exchanges always involves a unique combination of resources of the two firms (Vargo & Lusch, 2008). Lusch and Vargo (2006, p. 284) explicitly argue that "[i]t is the unique application of these uniquely integrated resources that motivates and constitutes exchange, both economic and otherwise". They suggest that customers may participate in the production of the offering together with the seller. Co-production occurs through shared inventiveness, co-design, or shared production of related goods, and customer's involvement in co-production can vary from none at all to extensive (Lusch & Vargo, 2006). As the customer's involvement in co-production increases, the customer's resources allocated to the relationship increases. More effective ways for integrating two firms' resources may be identified.

Researchers argue that for a higher level of resource integration and thus co-creation in a relationship, more resource inputs from both the buyer and the seller are needed, ranging from information exchange to relationship-specific investments. This point is particularly important for the current study as it suggests that the availability of the buyer's resources has critical impacts on the outcome of the relationship for both firms and thus it is important to explore how this availability could be influenced by the salesperson. Kohli (2006) suggests that both the seller and the buyer can invest further in the relationship or allocate more of their resources to the relationship for co-creation. Day (2006) suggests that for a solution to be co-created, there should be mutual commitments ranging from information exchanges to cross-firm coordination and

relationship-specific investments. Flint and Mentzer (2006) argue that, as a customer's use situation changes continuously, deep and timely information exchange between the customer and the supplier is required for value co-creation. The literature suggests that resource inputs from the buyer can be both tangible and intangible, such as knowledge of technology, market information, machinery, efficient procedures, and financial capital (Baxter & Matear, 2004; Ford et al., 2006; Morgan & Hunt, 1999; Walter, Ritter, & Gemünden, 2001). The classifications of the buyer's resources useful for co-creation are reviewed in detail in section 2.4.2.

The SD logic's FP9 is relevant to the current study as it suggests that salespeople may help with inter-firm resource integration and thus co-creation. The SD logic views all social and economic actors as resource integrators, including individual actors (Vargo & Lusch, 2008), such as salespeople. It proposes that organisations exist to integrate and transform their competences into the services that are demanded in the marketplace (Vargo & Lusch, 2006). In business-to-business relationships, value is co-created through mutual service provision and resource integration (Vargo & Lusch, 2011). Firms should collaborate with customers and other network partners for value co-creation through integrating their relevant resources (Lusch et al., 2007). Which resources could be combined and used in what ways needs to be identified first for this resource integration. Salespeople, working closely with the customer, have the chance to identify the opportunities, and thus play the role of a resource integrator.

Salespeople have the chance to identify business opportunities through examining how the buyer's value creating process could be supported better by the seller's service. Under the SD logic, the role of the supplier or the service provider is to support the customers' value-generating processes (Grönroos, 2006). It is argued that firms may identify opportunities through assisting the customer in the process of specialisation and value creation (Vargo & Lusch, 2004). Suppliers may extend their market offering to include activities during customers' value-creating process, providing support to customers' business processes and assisting customers' practices (Grönroos, 2008). The

literature of consultative selling suggests that salespeople can identify service or value co-creation opportunities. Researchers argue that consultative salespeople create value in three primary ways: helping customers understand their problems and opportunities in a new or different way; helping customers to arrive at new or better solutions than customers would have discovered; acting as customers' advocate inside the seller's company to ensure that resources are allocated to the relationship to deliver customised solutions that meet the customer's special needs in a timely manner (De Vincentis & Rackham, 1998; Rackham & De Vincentis, 1999). Thus salespeople help with identifying the co-creation opportunities and facilitate the co-creation process.

By identifying the chances for supporting a customer's value creation process, the salespeople have the chances to improve the relationship performance for the seller. Under the SD logic, researchers argue that value creation in a relationship should be reciprocal (Ballantyne & Varey, 2006a). By supporting a customer's value-creating process, the seller should be able to obtain the reciprocal value. Similarly, the sales literature suggests that by helping a customer to create more value, consultative salespeople have the chance to earn higher margin for the seller (Hanan, 1999).

In addition, researchers argue that, for customers to co-produce value, the customers need to be both able and willing to make the contribution (Gray, Matear, Deans, & Garrett, 2007). They need to have the operant resources, such as knowledge, skills and competencies, to be able to contribute. Storbacka and Nenonen (2009) note that the magnitude and relevancy of customers' extant resources for co-creation are heterogeneous, and customers' propensity to apply these resources in their supply relationships varies. Enkel, Perez-Freije, and Gassmann (2005) find that the innovation projects fail because the customers involved do not possess the knowledge and capabilities necessary for the particular stages of the innovation projects even though they are happy to participate in the projects. On the other hand, obtaining customers' commitment is important. Day (2006) suggests that a supplier gains the strongest positional advantages when the customers are willing to make mutual commitments and

engage in value co-creation processes. Similarly, Ballantyne and Varey (2006a) argue that the willingness of people (e.g., customers, suppliers, or employees) to participate and pass on their know-how is critical to renew the knowledge about a relationship. The knowledge is important for the value creation in the relationship.

Therefore, effort is required both to identify the customers who are capable of co-production, and to engage them in the co-production. Researchers note that a firm's ability to engage customers in value co-creation varies (Storbacka & Nenonen, 2009). A firm might not be able to create a relationship that helps it to tap into the growth opportunity of that relationship. Schneider argues that research is needed to identify the attributes of the people who create a service climate for value co-creation and what these people do to create the service climate and get customer involved in the value co-creation (cf. Ostrom et al., 2010). One of a salesperson's major tasks is to obtain customer's trust and commitment (Weitz & Bradford, 1999). By developing customer's trust, the salesperson can help reducing customer's concern over their investments in the relationship. The salesperson can also help with identifying the customers who are capable of co-production through inter-firm communicative interaction.

Inter-firm communicative interaction is viewed as critically important under the SD logic for identifying co-creation opportunities, improving the value created in the relationship or reducing the cost for running the relationship. Ballantyne (2004) argues that dialogical interaction helps the participants become aware of each others' routine but hidden thought patterns, and relationship specific knowledge about how to deal with one another will be co-created and constantly updated in interaction through new experiences. Once a firm understands the nature of the activities that are of value to customers, they will be able to make improvements in the relevant activities or processes, thereby improving customer service and reducing costs (Ballantyne & Varey, 2006a). In addition, new perspectives on problems and opportunities may be identified and new value creating opportunities might emerge (Ballantyne, 2004).

Holmqvist's (2004) research provides an example of how new ideas emerge in communicative interaction. He observes that the firm he studied use highly explorative brainstorming meetings to generate ideas together with the independent programmers for product-development projects and have jointly created excellent workable new products. As one manager in the study mentioned, it was critical to work with independent programmers "since much of what we say is coloured by how we are used to doing things around here", and "if we had our own programmers, and I told them how they should work, then the programs would never reach a state of excellence. There wouldn't be any best-in-test" (Holmqvist, 2004, p. 76).

In fact, effective inter-firm communication has long been recognised as important for relationship development and relationship value realisation for the two firms involved in the relationship (Anderson & Narus, 1984; Mohr & Spekman, 1994). Wilson (1995) notes that communication is required throughout the relationship life stages. At the early stages of relationship, the focus of communication would be on establishing trust and understanding of the potential value of the relationship with comparison to the next best alternative; and at the later stages of relationship, the focus would be on facilitating adaptation and cooperation between the two firms, and learning from the partner.

Salespeople play an important role in inter-firm interaction communication. Grönroos (2008) argues that boundary personnel play a pivotal role in making use of the interfirm communicative interaction platform for co-creation. The sales literature supports the importance of dialogue and understanding of the customer. Researchers note that consultative selling relies on the intimate grasp of the customer's business issues (Rackham & De Vincentis, 1999), and emphasises two-way communication, problem solving and service (Manning & Reece, 2007).

Overall the SD logic suggests that in business-to-business relationships, value is co-created through the integration of both firms' resources. For higher level of resource integration and co-creation in the relationship, more resource inputs from both the buyer

and the seller are needed, ranging from information exchange to relationship-specific investments. Communicative interaction or dialogue is critical for identifying co-creation opportunities in the relationship, and the salesperson plays an important role in this interaction. The salesperson may learn through the communicative interaction how a buyer's value creating process can be supported better by the seller's service, and whether the buyer has the resources for co-production. In addition, the salesperson has the chance to stimulate the dialogue with the buyer and to lead it towards innovative ideas for co-creation or value creation for both firms. Through developing the buyer's trust in the seller, the salesperson can also help to reduce the buyer's concern over providing more inputs to the relationship.

2.2.3 Network theory

The network theory suggests that firms use the resources of other firms within their network to solve problems. The network theory views a firm and its relationships as part of a complex and dynamic network of interconnected relationships (Ritter & Ford, 2004) and relationships as the means for a firm to overcome limitation in its own resources (Snehota, 2004). The interdependencies of the firms in a network provide the firms access to the activities and resources that are remotely located in the network (Ford et al., 2006). Further, the theory argues that the activities and resources to which a firm has access through its relationships are more important in defining the firm than the activities and resources that exist within the firm (Håkansson & Ford, 2002).

The network theory also suggests that the buyer's resources need to be properly used to be able to create value for the seller. It argues that the value of a resource is dependent on how it is combined with other resources within organisations, within relationships between organisations or even dependent on indirect interaction over the borders of visible relationships (Waluszewski & Håkansson, 2007). Håkansson and Snehota (1995) further explicitly note that resources are double-faced in nature, which includes a provision side and a use side. "Provision determines the features of resource elements that can, but need not to be, of use" (Håkansson & Snehota, 1995, p. 132). The value of a resource is dependent on the use of the features of the resource. This view is

consistent with Penrose's (2009) notes on the difference between resource and service, which suggest that services yielded by resources are a function of the way in which the resources are used, and "resources consist of a bundle of potential services and can, for the most part, be defined independently of their use" (Penrose, 2009, p. 22).

Salespeople have the chance to identify the opportunities in terms of how two firms' resources can be combined and used effectively for co-creation. In the relationship context, Håkansson and Snehota (1995) argue that there is potential both to change and develop a resource and/or to change the way the resource is used for realising value and that the buyer and the seller can exploit the interdependence of the activity links and heterogeneous resources brought by the relationship. As the buyer and the seller become more long-term oriented, they may jointly develop new products or new production processes (Håkansson & Johanson, 2001), thus realising more value out of the relationship. Salespeople, who work closely with buyers, have the opportunity to find out what resources the buyer has and thus can help with identifying how the seller's and the buyer's resources can be combined and used effectively for co-creation. For example, Pelham (2006) finds that sales force involvement in product modification is associated with their consulting effectiveness. By working closely with customers, the salespeople can understand customers' needs and articulate the needs in the language that the technical support people in the seller firm can understand. In addition, through influencing the creation of the customised solution, the salespeople help the seller to arrive at an effective solution for the customer.

Further, the network theory provides a framework for examining the relationships between the salesperson's relationship focus, the availability of the buyer's resources and the relationship performance for the seller. According to network researchers, the substance of business relationships has three layers: actor, activity and resource (Håkansson & Snehota, 1995). This is referred to as the "ARA model" (Lenney & Easton, 2009) or "ARA structure" (Ford & Mouzas, 2010). As a relationship develops, a firm's technical, administrative, commercial and other activities will be connected in

different ways to those of another firm, and various resource elements of two firms will become connected, including technological, material, knowledge resources and other intangible resources (Håkansson & Snehota, 1995). These resource ties provide firms with a resource collection, which has an increased variety and variability and potentially can lead to innovations (Håkansson & Snehota, 1995). Buyer's resources are thus important for relationship value realisation for the seller. According to the ARA structure, actors carry out exchange activities to combine resources so that the potential services inherent in the resources accessed are released/realised, and value is thus created (Håkansson & Prencert, 2004; Håkansson & Snehota, 1995). Resource availability sets the limit of the range of activities actors can pursue (Håkansson & Snehota, 1995). As shown in Figure 2-1, the current study is aligned with the ARA structure and examines how salesperson's relationship focus, assessed in terms of the intensity of a set of the salesperson's relationship activities, influences the availability of the buyer's resources (i.e., the level of buyer's resources accessed and used for co-creation). In addition, this study examines how both the level of the salesperson's relationship focus and the availability of the buyer's resources impact the relationship performance for the seller.

The ARA structure also suggests that salespeople can influence the buyer's willingness to orient resources towards the relationship by strengthening the actor bonds in the relationship. The ARA structure suggests that actor bonds help to orient a firm's resources and activities to its counterpart, and offer stability needed for developing the interface between different resources (Håkansson & Snehota, 1995). A major task of salespeople is to establish customer's trust and commitment. Thus they can strengthen the actor bonds and in turn help to maintain the level of the availability of the resources to the relationship.

The existing studies on resource availability suggest that the number of useful resources accessible to the relationship is closely associated with the range of activities for making use of the resources for relationship value creation, and thus influences the

outcomes of the relationship for the seller firm. Bonney and Williams (2009) argue that the wide range of resources accessible to allocate towards customer problems increases the different resource combinations that can be mentally constructed during salesperson's opportunity recognition process. Further, they argue that if the customer is willing to adapt, that is to move resources around within their firm or to change structures, processes, and routines for solution creation, the salesperson is given even greater latitude in the types and number of resource combinations possible in solving the customer's problem.

Empirically, Helfert et al. (2002) find that while the availability of the resources from the seller firm is not a significant predictor of the effectiveness of the customer relationship for the seller, the sales team's performance on relationship management tasks is. Relationship management tasks include exchange, coordination, conflict resolution and adaptation activities. In addition, the availability of the resources and the sales team's performance on relationship management tasks are highly significantly correlated. Helfert et al. (2002) argue that internal resource availability builds the context in which the relationship can prosper and be effective.

While Helfert et al. (2002) fail to find a direct relationship between internal resource accessibility and relationship effectiveness for the seller, Workman et al. (2003) find that the extent to which a key account manager can access to the needed marketing and sales resources, as well as organisational key account management (KAM) activity intensity and proactiveness and top management involvement, are positively related to KAM effectiveness, which in turn, positively influences the firm's performance in the market, and then positively influence the firm's performance on profitability. The KAM activities examined are product- or service-related activities, price-related activities, distribution and logistics activities, information sharing, and promotion activities to final customers. However, neither of these two empirical studies examines the effect of the customer's resources on the relationship performance for the seller, and whether the level of customer's resources being accessed and used for co-creation could be

influenced by individual salesperson's efforts or activities.

Finally, Medlin (2006) applies the concept of "resource ties" from network theory (Håkansson & Snehota, 1995) and measures relationship performance in terms of sales, sales growth and market share. He finds that the efficient use of a firm's resources through a business relationship relates positively with the importance of a firm's economic goals within the relationship, which in turn, is positively associated with the relationship performance. Medlin argues that firms put resources together to obtain their own economic goals, and are motivated to act jointly to achieve relationship performance.

In summary, the network theory suggests that through relationships, buyer's and seller's resources become available to each other. The substance of business relationships has three layers: actor, activity and resources. Actors carry out activities to combine and use the resources, thereby realising the value of the resources. The resources available to the relationship set the range of activities the relationship actors can pursue for value creation. In addition, there is always possibility to make better use of the resources of the two firms. Empirical research results suggest that higher level of resources available to the relationship can lead to higher relationship performance for the seller.

There are several implications of the network theory for the current study. Firstly and most importantly, the ARA structure helps to establish the conceptual model of the current study as shown in Figure 2-1. It suggests that buyer's resources need to be included in the investigation of relationship value realisation. The salesperson, as one of the individual actors, through directing activities to the relevant ones, can influence both the potential availability of the buyer's resources and the way the resources are actually used for co-creation and thus impact on the outcome of the relationship for the seller. Secondly, it suggests that salespeople can influence the buyer's willingness to orient resources towards the relationship by strengthening the actor bonds in the relationship. They can also affect the way in which and the level to which the buyer's resources are

used by the seller for relationship value realisation by identifying the effective ways the two firms' resources can be combined and used for co-creation or value creation for both firms.

2.2.4 Buyer's resources, relationship performance and relationship focus

Buyer's resources are an important part of the resources available to the relationship for co-creation, and thus affect the relationship performance for the seller. Through relationships, buyer's and seller's resources become potentially available to each other. The actual value of these resources for the two firms will be dependent on how they are integrated or combined and used for co-creation (Håkansson & Snehota, 1995; Vargo & Lusch, 2008). The scale and scope of the complementary resources shared and investments made by the two relationship parties are critically important for generating relational rent (Dyer & Singh, 1998; Lavie, 2006). The resource inputs from the buyer and the seller for higher level of resource integration and thus co-creation (Kohli, 2006) range from information exchange to relationship-specific investments (Day, 2006). Empirical results show that the resources available to the relationship positively influence the performance of the relationship for the dyad or the seller, and developing customer's trust and inter-firm coordination effort are important for realising the potential value of the resources available to the relationship for the dyad (Jap, 1999).

In addition, inter-firm communicative interaction or dialogue (Ballantyne & Varey, 2006a, 2006b) is viewed as particularly important for identifying co-creation opportunities in the relationship under the SD logic as communicative interaction enables relationship learning, the renewal of relationship-specific knowledge, and the generation of innovative ideas for co-creation. According to network researchers, this learning effect of communicative interaction will be critical for identifying better ways to make use of the resources of the two firms for value co-creation.

Based on the ARA structure of the network theory, the resources need to be activated by actors through activities for creating value. This study thus argues that the salesperson, as the individual actor, can influence the access and use of the buyer's resources for

co-creation through relevant relationship activities, and thus influence the performance of the relationship for the seller. The salesperson's relationship focus is proposed in the current study as the salesperson's attribute that directs the relevant relationship activities.

The above review shows that salespeople can influence the extent to which the buyer's resources are accessed and used for co-creation, and thus affect the relationship performance for the seller, through four things: (1) identifying which buyer's resources are relevant for co-creation, (2) influencing the buyer's willingness to allocate more resources to the relationship, (3) engaging the buyer in co-creation, and (4) facilitating the co-creation process. The routine communicative interaction with the buyer provides the salesperson the chance to learn which buyer's resources are useful for relationship value co-creation. Through developing the buyer's trust in the seller, the salesperson can influence the buyer's willingness to invest in the relationship as the buyer would perceive less risk in allocating their resources to the relationship. As dialogue helps the learning about the relationship and the identification of new ways for co-creation, the salesperson should engage the buyer in co-creation related dialogue, making effective use of the inter-firm communicative interaction platform. Once a co-creation opportunity is identified, the salesperson should be able to convince the two firms to invest in the relationship to capture the opportunity and to facilitate the co-creation process.

The above discussion has focused on the relationships between the three key constructs in Figure 2-1: the availability of the buyer's resources, the relationship performance for the seller and the salesperson's relationship focus, which directs the salesperson's relationship activities that are relevant to the availability of the buyer's resources. In order to assess the relationships between these three constructs, the study clarifies the domains of these constructs. The literatures on these three constructs are therefore reviewed next in section 2.3 to 2.5 as a step towards this clarification.

2.3 Salesperson's relationship focus

Salesperson's relationship focus is an attribute of the salesperson proposed in the current study that directs the salesperson's relationship activities to the ones that influence the level the buyer's resources are accessed and used for co-creation or value creation for both firms. It is a higher-order construct and will be assessed in terms of the intensity of the salesperson's relevant activities. The relevant activities need to be identified and measured in this study. Thus, the literature on salesperson's activities relevant to looking after a relationship is reviewed in this section. In addition, as mentioned in chapter 1, the intensity of the salesperson's relationship activities will be measured in terms of the level of effort the salesperson devotes to the relationship, the literature on salesperson's effort is reviewed first. Then this section focuses on the salespeople's activities related to the salesperson's relationship focus, and reviews the relevant literature.

2.3.1 Salesperson's effort research

Traditional salesperson's effort research focuses on the overall amount of effort (i.e., time and energy) the salesperson devotes to his/her job. Brown and Peterson (1994) examine salespeople's effort in door-to-door direct selling context. They use three self-report items and ask salespeople to report on their effort in terms of overall effort in sales task, number of hours worked, and number of calls made compared to all other salespeople in the company. They find that in this "pure" personal selling context, salesperson's effort positively predicts sales performance, which is rated by the sales manager. Adopting Brown and Peterson's (1994) effort measures, Krishnan, Netemeyer and Boles (2002) investigate the effort for two groups of salespeople, one group sells cellular phone's messaging services, and the other sells real estate. Both studies find that salespeople's effort positively impacts on their self-reported sales performance. However, the way Brown and Peterson (1994) measure effort is criticised as not clarifying the specific types of performed activities, which may have different impacts on salesperson's performance (Brashear et al., 1997), and which are important to this study.

Two recent studies on effort do go some way towards better clarifying on the activities performed. Christen, Iyer and Soberman (2006) define effort as “the amount of energy and time an employee puts into the job” (Christen et al., 2006, p. 141). They investigate the impact of grocery retail store managers’ effort on their job performance. They measure effort in terms of whether the store managers take responsibility in their work, readily assume responsibility, make an effort to improve their managerial skills, work long hours when necessary, and whether their level of motivation is satisfactory. They obtain data from the supervisors of the store managers, and find that store managers’ job performance increases with their effort.

In the other study, Jaramillo and Mulki (2008) point out that effort has two dimensions: effort level and effort direction. They clarify that effort level is associated with the persistency and intensity of the energy employed on job task, whereas effort direction is about the efficiency in the allocation of energy. They apply Sujan et al. (1994) “working hard” and “working smart” scales to measure effort level and effort direction respectively, and find that effort, measured by “working hard” and “working smart”, positively predicts salesperson’s performance. While working hard is measured in terms of working long hours, not giving up easily, working untiringly and working many hours a week, working smart is measured in terms of thinking about strategies, planning, keeping good records and working on the highest priority task first. The key findings of the above studies are provided in Table 2-2.

Table 2-2 Salespeople's effort research

Source	Salesperson's effort research	Research context	Key findings
Brown and Peterson (1994)	Overall effort in sales task, number of hours worked, and number of calls made compared with all others in the company	Door-to-door direct selling of durable products	Effort significantly and positively affects sales performance, which is measured by manager ratings of the salespeople under their supervision.
Krishnan et al. (2002)	Overall effort in sales task, number of hours worked, and number of calls made compared with others in the company.	Study 1: 91 salespeople from a cellular phone company selling messaging services Study 2: 182 real estate salespeople	Effort is defined as "the amount of time and energy a salesperson devotes to the selling task relative to other salespeople in the company" (Krishnan et al., 2002, p. 288). Effort has significant and positive effect on performance in both studies.
Christen et al. (2006)	Effort is measured by the following: <ul style="list-style-type: none"> • Takes responsibility in work • Readily assumes responsibility • Makes an effort to improve managerial skills • Works long hours when necessary • Level of motivation 	177 grocery retail store manager's performance and effort measured by their supervisors (district managers)	Effort is defined as "the amount of energy and time an employee puts into the job" (Christen et al., 2006, p. 141). Job performance increases with effort.
Jaramillo and Mulki (2008)	Effort has two dimensions: effort level (working hard, e.g., work long hours, do not give up easily, work untiringly) and effort direction (working smart, e.g., think about strategies, planning, keep good records)	Salespeople from a multinational pharmaceutical company	Effort measured by "working hard" and "working smart" (Sujan et al., 1994) is found to be a significant positive predictor of salesperson's performance.

Overall the effort literature suggests that higher level of effort is likely to lead to higher job performance. In addition, effort needs to be directed towards the useful activities to be efficient in obtaining positive job performance. However, the effort literature does not investigate salesperson's effort at the individual relationship level, and does not investigate the more co-operative and co-creative activities of modern solution-oriented salespeople. This literature thus provides only limited insights into what salesperson's activities would be useful for obtaining high level of availability of the buyer's resources and high relationship performance for the seller. The salesperson's activities that are relevant to the salesperson's relationship focus are thus reviewed next.

2.3.2 Salesperson's relationship activities

In this section, salespeople's activities for looking after a relationship are reviewed and categorised based on their relevance to the salesperson's relationship focus. As discussed in section 2.2.4, salespeople can influence the extent to which the buyer's resources are accessed and used for co-creation, and thus affect the relationship performance for the seller, through four things: (1) identifying which buyer's resources are relevant for co-creation, (2) influencing the buyer's willingness to allocate more resources to the relationship, (3) engaging the buyer in co-creation, and (4) facilitating the co-creation process. The salesperson's relationship activities are thus categorised according to whether they could contribute to one or more of the above four things. Six categories of activities are identified from the literature. The six activities are learning about the seller's resources, learning about the buyer, customer contact, service, selling and coordination.

Learning about the seller's resources (the resources of the salesperson's firm) develops the knowledge of the seller's business, such as its products and services, resources and capabilities that can be used for relationship value co-creation. Based on this knowledge, the salesperson will be able to decide which buyer's resources are relevant to the seller for co-creation. Learning about the buyer's business deepens the knowledge about what the seller can do for supporting the buyer's value creation process. In addition, the knowledge developed through both learning activities is important for establishing the buyer's trust, which in turn helps to increase the buyer's willingness to allocate resources to the relationship. The knowledge is also important for selling, which engages the buyer in

co-creation related dialogue, identifies business opportunities and convinces the buyer to allocate resources to the relationship for co-creation. Customer contact and service are important activities for developing the buyer's trust and in the meantime, provide opportunities for learning about the buyer's business and identifying business opportunities. Finally, coordination pulls relevant resources and individual actors together, and facilitates the co-creation process, which makes use of both firms' resources and realises the value for both firms. Therefore all six activities are relevant to the gaining access to and making use of the buyer's resources and to the relationship performance for the seller. The details are discussed next.

2.3.2.1 Learning about the seller's resources

The sales literature suggests that salespeople's knowledge about the seller's (their own) business is important for identification of co-creation opportunities. Researchers note that salespeople need to know well about the products or services they are selling (Behrman & Perreault, 1982; Boles, Barksdale, & Johnson, 1996) as well as the seller's capabilities (Boles et al., 1996). As Weitz and Bradford (1999) note, salespeople should have the strategic knowledge of what the seller can do. Salespeople attend conferences, sales meetings and trainings to upgrade their product knowledge (Moncrief, 1986; Moncrief et al., 2006). Cravens, Ingram, LaForge and Young (1993) find that sales force performance in using technical knowledge is positively associated with achieving sales objectives. Plouffe, Sridharan and Barclay (2010) find that a salesperson's exploratory navigation has a positive effect on salesperson's job performance in a stable mature industry (banking services). They define exploratory navigation as "the extent to which salespeople generally seek out new and unfamiliar personnel, departments, or other resources within their own organization" (Plouffe et al., 2010, p. 540). Through navigation, salespeople will have the knowledge about the seller firm and will know what resources are available for co-creation.

Continuous learning to keep abreast of the relevant knowledge is particularly important for co-creating solutions with customers in today's market environment, which changes constantly. Wang and Netemeyer (2004) argue that creative customer solution requires a high level of domain knowledge to generate and evaluate novel solutions, and salespeople

need to devote their effort to learning so that they can provide creative solutions in today's constantly changing environment. Similarly, other researchers note that the greater is the level of business turbulence, the higher is the level of salesperson learning needed (Chonko, Dubinsky, Jones, & Roberts, 2003).

Learning also develops the expertise that is needed for establishing customer's trust, which in turn influences customer's willingness to allocate resources to the relationship. Existing research suggests that salesperson's expertise is a positive predictor of customer's trust (e.g., Swan et al., 1999; Swan, Trawick, & Silva, 1985; Wood, Boles, Johnston, & Bellenger, 2008). Swan et al.'s (1999) meta-analysis shows that expertise is one of the antecedents of customers' trust in the salesperson. Existing research shows that customer-salesperson trust and customer-firm trust are positively associated (Chow & Holden, 1997; Plank, Reid, & Pullins, 1999; Zaheer, McEvily, & Perrone, 1998), and the two trusts are transferable in both directions (Doney & Cannon, 1997). Researchers further argue that trust is built by individuals (Narayandas & Rangan, 2004) or "has its basis in individuals" (Zaheer et al., 1998, p. 143). Palmatier, Dant, Grewal, and Evans's (2006) meta-analysis results also indicate that the seller's expertise has positive effect on all the four relational mediators they assess, including trust. At measurement item level, researchers find that the salesperson's expertise is a positive predictor of the customer's trust (Wood et al., 2008). Regarding the consequence of customer's trust, Swan et al. (1999) find that a customer's trust in the salesperson has consequences on the customer's satisfaction with the salesperson, or the selling firm and products, positive attitudes towards salesperson or the selling firm, intentions to engage in a positive action with the salesperson or the selling firm, and positive sales and purchase choice towards the salesperson or the selling firm. Palmatier et al.'s (2006) research results show that trust is positively associated with inter-firm cooperation, seller's objective relational performance, and customer's continuity, word-of-mouth and loyalty.

Therefore, salesperson's level of effort in learning about the seller's resources will be important for co-creating solutions with buyers. The solution co-creation makes use of the buyer's resources and in turn influences the performance of the relationship for the seller. In addition, the expertise built through this learning helps to establish customer's trust,

which has positive consequences for the seller, including allocating resources to the relationship with the seller.

2.3.2.2 Learning about the buyer

Salespeople must know well about the buyer's business to be able to have the chance to hold co-creation related dialogue with the buyer. Researchers find that salespeople need to conduct customer research before they call on customers (Marshall, Moncrief, & Lassk, 1999), as customers expect the salespeople calling on them are familiar with information available in the public domain and over the Internet prior to the calls (Jones, Brown et al., 2005).

Salespeople need to develop strategic knowledge about the buyer to identify the strategic value of the relationship and the co-creation opportunities. Weitz and Bradford (1999) suggest that salespeople should have the strategic knowledge of what the buyer will want to do in the future, the buyer's strengths and weaknesses, opportunities and threats, and strategies for developing competitive advantage. Hanan (1986) suggests that consultative salespeople must know how different functions contribute to cost or sales inside the customer's businesses and how the proposed offering would affect customer's processes by reducing the cost or increasing the ability to generate return. They need to develop three databases as their basic resources for top-tier key account selling: an industry database, a customer database, a customer's customer database. Similarly, Ojasalo (2001) suggests that when analysing key accounts, it is important to analyse the account's products/services, inputs, internal value chain, markets, suppliers, and economic situation. Further, H.R. Challey's investigation reports that the determining characteristic of world class sales organisations is that their salespeople demonstrate deep knowledge of the customer's business, such that they can identify needs and opportunities ahead of the customer (cf. Piercy & Lane, 2003). Consistent with those results, Davies, Ryals and Holt (2010) find that strategic salespeople have markedly deeper knowledge of the customer than non-strategic salespeople, and are more likely than non-strategic salespeople to search for strategic value in customers as opposed to revenue. Siebel MultiChannel Services find that high performing salespeople keep current on developments that may affect customers'

business strategies (cf., Rosenbaum, 2001).

The knowledge of the buyer developed through this learning is also important for establishing customer's trust, which leads to positive outcomes for the seller. Boles, Barksdale, and Johnson (1996) find that understand customer's needs and customer's business are one of the things that are important for building customer relationship. In Bistriz et al.'s (1998) research, they find that salesperson's understanding of customer's business goals and objectives is rated as the second most important factor for building credibility with customer's executives. As illustrated in Peterson and Lucas' (2001) study, several senior managers in buying firms mention that a salesperson should have the knowledge of customer's products and industry. As these managers note: "I need a strategy partner who knows and understands our business and industry"; and "[Sales reps] must possess as much expertise and knowledge about the oil business as I do" (Peterson & Lucas, 2001, p. 40). In addition, researchers find that a positive assessment of a salesperson's credibility is predictive of the salesperson's trustworthiness, which in turn positively influences customer's trust (Wood et al., 2008). Consistently, Sengupta et al. (2000) find that salespeople's strategic ability in analysing customer organisational and business problems, long-term interests has positive impact on the communication quality between the customer and the salesperson and customer's trust in the salesperson. The communication quality and trust, in turn, positively impacts on the effectiveness of the salesperson in establishing a productive, worthwhile and enduring relationship with the customer.

Therefore, learning about the buyer builds up the knowledge for identifying the strategic value of the relationship and for engaging the customer in co-creation related dialogue, which may generate innovative ideas for the relationship. The knowledge is also important to build the credibility that will lead to customer's trust, which will have positive effects on the availability of the buyer's resources and the relationship performance for the seller.

2.3.2.3 Regular customer contact

Regular customer contact is important for developing customers' trust or improving the

quality of a customer-salesperson relationship, both of which will lead to positive outcomes for the seller. Beverland (2001) finds that regular contact is a must to strengthen an existing customer relationship. Doney and Cannon (1997) find that the frequency of business contact, with an attempt to understand customer's business and the people in the customer's company, positively influences customer's trust in the salesperson. Boles, Johnson, and Barksdale (2000) include interaction intensity as an element of salesperson's relational selling behaviour and find that this behaviour positively predicts the customer-salesperson relationship quality, which in turn positively predicts customer's future purchase intention. Consistently, Davies et al. (2010) find that strategic salespeople build much deeper networks in the customer's organisation than non-strategic salespeople. According to Cunningham and Turnbull (1982), the intensity of personal contacts has significant implications on relationship outcomes as it indicates a firm's commitment to the relationship.

Regular social contact with a customer also helps to develop the relationship with the customer. Geiger and Turley (2005) find that socialising with a customer can enhance the business aspects of the customer relationship or progress the relationship. They find that socialising with a customer promotes intimate mutual understanding and trust between the customer and the salesperson, and helps to detect nascent dissatisfaction of the customer and to solve conflicts. At firm level, researchers find that seller firm's social relationship activities (such as providing the customer meals, entertainment or gifts) have positive effect on customer-salesperson relationship quality, which in turn positively affects the seller's relationship outcomes including share of the customer's business, price premium, and sales growth (Palmatier, Scheer, Houston, Evans, & Gopalakrishna, 2007). In fact, entertaining customers is one of the major activities key account salespeople perform over the years (Moncrief, 1986; Moncrief et al., 2006).

Regular customer contact is also important for holding co-creation related dialogue with customers, which has positive outcomes for the two firms. Geiger and Turley (2005) find that the extra time with the client in a social event may help to explore previously undetected sales leads or to develop a long-term sales strategy. With the more relaxed environment outside the office, a seller may expand previous discussions and learn about

cross-selling opportunities that may not have emerged in the daily business interaction. Social outings provide the time and environment for more strategic, long-term reflections that day-to-day interactions during office hours may not offer. Researchers argue that communicative interaction between the customer and the supplier helps the learning about the customer and new perspectives on problems and opportunities may be identified and new ways of value creating opportunities might emerge (Ballantyne, 2004; Ballantyne & Varey, 2006b). Schultz and Evans (2002) find that key account representatives' strategic collaboration communication practices are positively associated with synergistic solutions.

Regular customer contact provides the salesperson with chances to obtain useful information for improving the seller's current offering or new product development, which will lead to better relationship performance for the seller. Researchers find that customers are most likely to report to salespeople on problems or unmet needs with existing products/services, ways to reduce costs, superiority of competitor products/services, and changes in technology, industry standards, and regulatory requirements (Judson, Schoenbachler, Gordon, Ridnour, & Weilbaker, 2006). Based on the ideas salespeople collected from customers, the seller firm is able to add features to a current product or service, improve tangible quality of a current product/service, introduce an extension of an existing product/service line, add services associated with a current product, find new use/market for a current product/service, and most importantly, find totally new products/services. Some researchers view salespeople as the most logical source of customer information for new product development (Gordon et al., 1997). Pelham (2006) suggests that costly mistakes could be avoided if the sales force acts as a good conduit for customer information to product developers.

Therefore, regular customer contact develops customer's trust and enhances the quality of customer-salesperson relationship, and in turn leads to positive outcomes for the seller. Regular customer contact also provides the salesperson chances to hold co-creation related dialogue with the customer and to gather useful information from the customer, thus influences the outcomes of the relationship for the seller.

2.3.2.4 Service

Service helps to develop the relationship between the customer and the salesperson. Manning and Reece (2007) note that in business-to-business sales, the relationship should intensify as the supplier delivers extensive post-sale support. Researchers find that providing high level of service or post-sales support helps the salesperson to develop relationship with the customer (Beverland, 2001; Boles et al., 1996). Guenzi's (2002) research result suggests that pre-sales services and after-sales services are means to develop customer relationship. However, researchers also note that research is limited on what ongoing service behaviours salespeople can employ to enhance customer relationship after the initial sale and managers need to know more about this to be able to direct their salespeople's activities towards the effective ones (Ahearne, Jelinek, & Jones, 2007).

Servicing customers is an important co-creation activity. Servicing the product and servicing the account, and providing product support are important activities salespeople perform over the decades (Moncrief, 1986; Moncrief et al., 2006). Piercy and Lane (2003) contend that personal selling cannot be easily replaced because major corporate customers are increasingly require superior service. Sheth and Sharma (2008) argue that post-contract servicing is becoming more important as firms seek service and solutions rather than products. Service offers chances to obtain useful information about how the seller can provide further support for the customer's value creating process. Researchers argue that business opportunities may exist in customer's offering usage process and sellers should be able to capture these co-creation opportunities (e.g., Grönroos, 2006; Vargo & Lusch, 2008).

Service helps salespeople achieve good performance. Researchers find that as part of salespeople's in-role behaviour, sales support is associated with salespeople's outcome performance (Babakus, Cravens, Grant, Ingram, & LaForge, 1996; Piercy, Cravens, Lane, & Vorhies, 2006; Piercy, Cravens, & Morgan, 1998). Brashear et al. (1997) find that activities related to servicing the customer have positive influence on the level of salesperson's performance. Moncrief et al. (2006) find that, for key account salespeople in manufacturing industry, the most frequently performed activity is product support, which

includes supervise installation, modify the product, perform maintenance, take clients on site, and expedite orders.

An important aspect of service is information supply. Existing research suggests that transmission of information to the customer (Guenzi, 2002) or providing customers with technical information is important in business-to-business context (Marshall et al., 1999; Moncrief, 1986; Zolkiewski, Lewis, Yuan, & Yuan, 2007). Sharing product knowledge is important for strengthening an existing relationship (Beverland, 2001). Exchanging the information between the two firms is one of the key activities relationship promoters perform (Walter, 1999; Walter & Gemünden, 2000). Ahearne et al. (2007) find that one of the most important aspects of salesperson service behaviour after the initial sale is communicating information, which they define as “regularly relaying product information to the customer in a clear and concise manner” (Ahearne et al., 2007, p. 605). They find that this information communication has a positive effect on customers’ satisfaction, which in turn leads to customers’ trust. The trust, in turn, leads to share of customers’ businesses. Boles et al. (2000) include mutual disclosure as one of the elements of relational selling behaviour, and find that this behaviour has positive impact on the buyer-salesperson relationship quality, which in turn influences buyer’s future purchase intention.

Finally, salespeople may also need to develop relationship with the individuals in other functional departments and other third party firms for serving the customer’s needs. Marshall et al.’s (1999) study find that salespeople need to network with supply chain parties for better serving the customer’s needs. Moncrief et al. (2006) further find that key account salespeople need to perform channel support activities, which include establish relationships with distributors and train brokers/middlemen. According to Walter and Gemünden (2000), salespeople’s personal network can be viewed as the power source salespeople can draw on for help with performing their job tasks. Similarly, Menguc and Barker (2005) suggest that salespersons can utilise their social resources and the information embedded within their social networks by exercising their collaboration skills. Siebel MultiChannel Services find that successful salespersons spend up to half their time building collaborative, customer-focused relationships inside their own company (cf., Rosenbaum, 2001). Hutt and Walker (2006) find that account managers with a strong

network of relationships both within the firm and within the customer organisation, compared with their peers, are better able to diagnose customer needs, mobilise internal experts, and create the desired customer solution. To be able to provide satisfactory services to customers, salespeople are likely to develop relationship with other individual actors who are relevant.

In summary, service, such as providing product support or sharing product knowledge or useful information, is an important co-creation activity salespeople perform for maintaining and developing relationship with customers. The enhanced relationship will lead to positive relationship outcomes for the seller, such as higher share of customer's business or future purchases. For servicing a client, the salesperson may need help from other functional departments in the seller's firm or from other third party firms and thus need to develop the relevant relationships.

2.3.2.5 Selling

This section discusses both consultative/solution selling and adaptive selling, as researchers note that firms have shifted their focus from products to solutions and from products to service (Sheth & Sharma, 2008), and find that salespeople have started practicing adaptive selling and consultative selling (Marshall et al., 1999) or solution selling (Sheth & Sharma, 2008). Both consultative/solution selling and adaptive selling engage customers in co-creation.

In a consultative/solution selling process, the salesperson and the customer share the knowledge of the resources of the two firms and how the resources can be used together for co-creation. Researchers note that, in consultative/solution selling, salespeople work with the customers and help them to identify problems, determine needs, and propose and implement effective solutions (Moncrief & Marshall, 2005). In addition, researchers note that value propositions are often co-produced in the process of solution co-creation rather than being pre-packaged by the seller and it will be a knowledge sharing process (Flint & Mentzer, 2006). Consultation helps salespeople to understand customers' needs so that they can improve the fit between the seller's offering and the customer's needs (Georges &

Eggert, 2003).

Consultative selling or solution selling is inherently customer-oriented. According to Saxe and Weitz (1982), customer-oriented salespeople should help customers assess their needs and help them make satisfactory purchase decisions. They expend effort on understanding customers' needs and concerns, using their knowledge of customers' needs and concerns to develop services that match customers' needs, and ensuring the satisfaction of customers (Sharma, Tzokas, Saren, & Kyziridis, 1999). In consultative selling, salespeople provides consultative service when customers are uncertain about their needs or problems (Rackham & De Vincentis, 1999). Manning and Reece (2007) argue that consultative salespeople create the most value by helping customers gain an understanding of their problems and create solutions for solving these problems. Thus, consultative selling is inherently customer-oriented.

Consultative/solution selling is likely to lead to positive relationship outcomes for the seller. As discussed above, consultative selling is inherently customer-oriented. The sales literature suggests that customer-orientation is likely to lead to positive relationship outcomes for the seller. A recent meta-analysis of customer-oriented selling based on 16 studies from 1982 to 2004 shows that a significant and positive relationship exists between customer-oriented behaviour and salespeople's job performance in all the three contexts including business-to-business and business-to-consumer contexts and the mix of these two contexts (Jaramillo, Ladik, Marshall, & Mulki, 2007). In consultative selling literature, researchers note that customers are likely to obtain more real benefits out of tailored solutions, and thus the chance for the seller to obtain higher margin increases (Hanan, 1986; Manning & Reece, 2007).

On the other hand, adaptive selling presentations are important for engaging customers in co-creation activities and can lead to good relationship performance for the seller. Clear sales presentation is needed for achieving outcome performance (e.g., Piercy et al., 2006). In addition, the salesperson needs to be "adaptive" in their presentation (Spiro & Weitz, 1990; Weitz et al., 1986). The practice of adaptive selling is defined as "the altering of sales behaviours during a customer interaction or across customer interactions based on

perceived information about the nature of the selling situation” (Weitz et al., 1986, p. 175). Franke and Park (2006) conduct a meta-analysis on adaptive selling behaviour and find that adaptive selling behaviour increases self-rated, manager-rated, and objective measures of a salesperson’s performance.

When customised solution is required, adaptive selling is appropriate and can produce positive results for the seller. Giacobbe, Jackson, Crosby and Bridges (2006) find that the impact of adaptive selling behaviour on sales performance is situation-dependent. They argue that adaptation during the sales presentation is appropriate “in contexts where (1) needs variability is high, (2) the buying unit and offerings are complex, and (3) each customer/prospect affords significant long-term profit potential” (Giacobbe et al., 2006, p. 133). Consistently, Porter, Wiener and Frankwick’s (2003) find that adaptive selling strategy generally enhances performance outcomes, and particularly in a modified rebuy and new buy situation.

In addition, to be adaptive, careful planning is needed (Sujan et al., 1994). Researchers find that salespeople must plan for multiple calls to have a chance of obtaining a client’s business (Marshall et al., 1999). Moncrief et al. (2006) find that one of the key activities key account salespeople perform is relationship selling. The activities salespeople perform in relationship selling include building trust and rapport, corresponding with customers, consulting with customers, helping clients plan, planning selling activities, adapting presentations, selling value added, selling unique competencies, identifying person in authority, calling on multiple individuals, asking questions, listening and reading body language (Moncrief et al., 2006). In salespeople’s behaviour performance research, researchers include adaptive selling and sales planning as two of the key elements of salespeople’s behaviour performance, and find that salespeople’s behaviour performance positively predicts salespeople’s outcome performance (Babakus et al., 1996; Piercy et al., 2006; Piercy et al., 1998; Robinson, Marshall, Moncrief, & Lassk, 2002). Through consulting with the buyer and being adaptive, salespeople are likely to co-create a value proposition with the buyer that suggests ways the seller’s resources fit into the buyer’s business value creating process. According to Storbacka and Nenonen (2009), this value proposition can be seen as resource integration promises. Thus, the selling activity engages

the buyer in finding ways to integrate two firms' resources for co-creation, and will help the seller to realise the potential relationship value.

In summary, through consultation, the salesperson and the customer share the knowledge that is relevant to identifying the customer's needs or problems and how the two firms' resources could be used together for addressing the needs or solving the problems. To be effective in selling, the salesperson needs to plan carefully and make the presentations clear and adaptive to the customer's situation.

2.3.2.6 Coordination

Coordination influences the level the buyer's resources are used for co-creation and thus the relationship performance for the seller through facilitating the co-creation process. Salespeople need to perform both internal coordination and inter-firm coordination to obtain the relevant resources for co-creation.

Internal coordination is important for co-creation as a selling team is likely to be involved in looking after the firm's key accounts and in creating customised solutions (Jones, Dixon, Chonko, & Cannon, 2005; Manning & Reece, 2007; Marshall et al., 1999). Tuli et al. (2007) find that from customer's perspective, solution involves four relational processes: customer requirement definition, customisation and integration of products, deployment of the products, and post-deployment support. A selling team is likely to be involved in the whole four processes, and the team members' activities need to be coordinated. People from different functional departments, such as product development department and customer support team, need to be brought together for this solution co-creation process. Researchers argue that coordination effort is needed to make effective use of these human resources and other relevant resources the seller allocates to the relationship (Cunningham & Turnbull, 1982).

Internal coordination is important for salespeople to manage customer relationships. Researchers have repeatedly stressed the importance of salespeople's role of orchestrating intra-organisational resources to meet customers' requirements (e.g., Guenzi, 2002; Ingram,

2004; Jones, Brown et al., 2005). Plouffe and Barclay (2007) argue that “salesperson navigation” is likely to have positive impact on salesperson’s performance. They define salesperson navigation as a set of salesperson behaviours used to acquire or align needed internal resources, processes and other key inputs that can enhance the salesperson’s performance. Guesalaga & Johnston (2010) argue that the topic of “internal alignment” aimed at the customer will be a fruitful area for future research.

Results from existing studies suggest that salespeople’s effort in obtaining internal resources is likely to have a positive influence on the relationship performance for the seller. Siebel MultiChannel Services find that, among the seven emerging sales competencies identified for a successful salesperson, the most difficult sales competency to develop is orchestrating internal resources (cf., Rosenbaum, 2001). In a research on selling to senior executives, it is found that salesperson’s ability to marshal resources is the most important factor cited for building credibility with executives (Bistriz et al., 1998). This credibility is likely to lead customer’s trust (Wood et al., 2008), which has important implications for the relationship outcome for the seller (e.g., Swan et al., 1999; Swan et al., 1985). Sengupta et al. (2000) find that the intrapreneurial ability of a key account salesperson, that is, the ability to obtain internal resources for serving the customer account, has a positive effect on the effectiveness of the key account representative. Consistently, behaviour performance researchers find that teamwork, together with other aspects of a sales force’s behaviour performance, positively impacts on the sales force’s outcome performance (Babakus et al., 1996; Piercy et al., 2006; Piercy et al., 1998).

Apart from the coordination within seller’s organisation, salespeople also need to coordinate the activities between the seller and the buyer, and the activities with other relevant third parties (Marshall et al., 1999; Moncrief et al., 2006; Walter & Gemünden, 2000). Marshall et al. (1999) find that salespeople need to bring vendors into alliances. In fact, network researchers note that other network actors’ resources are important for addressing the firm’s limitations in resources and that relationships are important means to access these resources (Ford et al., 2006; Snehota, 2004). Therefore, when more actors are involved in value co-creation, the salesperson will need to expend more effort in coordination.

In addition, according to network researchers, as relationship develops, two firms' activities become linked. This "[a]ctivity linking is a form of coordination and is achieved by mutual adaptations" (Håkansson & Snehota, 1995, p. 54). Håkansson and Snehota (1995) further note that adaptations typically emerge over time in an "organic", incremental, unplanned way, and are often invisible and known only to those directly involved in carrying out the adaptations. Salespeople are likely to be one of the key boundary people to be involved in the coordination of the adaptations. In fact, John and Weitz (1989) find that the need of coordination reduces replaceability of salespeople.

Inter-firm coordination influences the way the resources of the relevant firms are combined and used for co-creation, and thus impacts on the performance of the relationship for the parties involved. Håkansson and Snehota (1995) suggest that coordination will affect how and when the various activities in the relevant firms are carried out, and as a consequence, the cost and effectiveness of the activities will change. Georges & Eggert (2003) argue that a high level of coordination facilitates the interaction process between the customer and the supplier and reduces the costs of handling the relationship. They find that key account managers can enhance the fit of the seller's offering for the buyer through promoting lateral interaction between the suppliers' and the customers' functional departments. Other researchers find that the existence of a relationship promoter in the supplier's or customer's firm has a positive impact on the growth of sales within the relationship and the supplier's share of a customer's business (Walter, 1999; Walter & Gemünden, 2000). Relationship promoters are people who identify appropriate actors of different organisations, bring these actors together, and facilitate the dialogue and the exchange processes between them. Consistently, Biong and Selnes (1995) find that salesperson's ability in conflict handling is a positive predictor of business continuity. To solve conflicts, salespeople need to communicate with the relevant actors in the buyer's and seller's firms and in other relevant parties' firms and to coordinate the relevant activities.

Coordination can be done through efficient and effective communication with the relevant actors involved in co-creation. Gulati, Lawrence, & Puranam (2005) argue that coordination problems occur due to lack of shared and accurate knowledge about the

decision rules of others and how one's own actions are interdependent with those of others. Gittell (2000) suggests that frequent, timely, problem solving communication is needed to achieve higher level of coordination. However, researchers note that little empirical research exists on communication issues underlying salespeople's efforts in orchestrating the relationships between buyer and seller (Jones, Brown et al., 2005).

In summary, both internal coordination and inter-firm coordination help to effectively use the two firms' resources for co-creation and thus positively influence the relationship performance for the seller. The internal coordination is important for establishing credibility with the buyer as it obtains internal resources for co-creation. It is also important for making effective use of the seller's resources allocated to the relationship, and thus helps to obtain good relationship performance for the seller. The inter-firm coordination influences the buyer's activities that are linked with the seller's and helps to reduce the cost for running the relationship. In addition, inter-firm coordination pulls the relevant resources of the third parties together for co-creation. It is also necessary to solve problems or conflicts between firms. Coordination is done through frequent, timely, problem-solving communication.

2.3.3 Salesperson's relationship focus

As discussed earlier, this study investigates the salesperson's role in co-creation through examining the impact of the salesperson's relationship focus on the availability of the buyer's resources and the relationship performance for the seller. The salesperson's relationship focus is assessed in terms of the intensity levels or effort levels of a set of the salesperson's activities related to relationship value co-creation. The above review discusses six types of activities that may influence the level the buyer's resources that are accessed and used for co-creation and the relationship performance for the seller. Table 2-3 summarises the six salesperson's activities discussed above. The intensity levels of these six activities will reflect the level of the salesperson's relationship focus. With a certain level of relationship focus, the salesperson will direct his/her effort accordingly to the relevant activities. A higher level of relationship focus will lead to higher level of intensity in these activities. Thus, the intensity levels of the activities will be the reflective dimensions of the salesperson's relationship focus.

Table 2-3 Activities relevant to a salesperson's relationship focus

Activity category	Relevant issues discussed in the literature
Learning:	
Learning about the seller's resources	<p>Technical knowledge (Behrman & Perreault, 1982)</p> <p>Conferences/meetings (Moncrief, 1986)</p> <p>Know seller's product and capabilities (Boles et al., 1996)</p> <p>Strategic knowledge of the seller (Weitz & Bradford, 1999)</p> <p>Education (sales meetings, training sessions, learn about product) (Moncrief et al., 2006)</p> <p>Understand supplier's strategy and core competencies (Davies et al., 2010)</p>
Learning about the buyer	<p>Customer database and customer's customer database (Hanan, 1986)</p> <p>Know customer's needs and their business (Beverland, 2001; Boles et al., 1996)</p> <p>Customer's business goals and objectives (Bistriz et al., 1998)</p> <p>Conduct customer research (Marshall et al., 1999)</p> <p>Strategic ability (Sengupta et al., 2000)</p> <p>Knowledge of customer's products and industry (Peterson & Lucas, 2001)</p> <p>Sophisticated knowledge of the buying firm (Weitz & Bradford, 1999)</p> <p>Understand customer's strategy and core competencies, searching for strategic value as opposed to revenue (Davies et al., 2010)</p>
Selling:	
Consultative selling	<p>Customer orientation (e.g., Saxe & Weitz, 1982)</p> <p>Creative problem-solving (Boles et al., 1996)</p> <p>Sales (consultative sales, sell value-added services) (Marshall et al., 1999)</p> <p>Strategic collaborative communication (Schultz & Evans, 2002)</p> <p>Offer adjustment and buying centre consultation (Georges & Eggert, 2003)</p> <p>Relationships selling (consult with customers, sell unique competencies, sell value-added) (Moncrief et al., 2006)</p> <p>Requirement definition (Tuli et al., 2007)</p>
Adaptive selling	<p>Sales planning (Babakus et al., 1996; Marshall et al., 1999; Sujan et al., 1994)</p> <p>Adaptive selling (e.g., Marshall et al., 1999; Robinson et al., 2002; Spiro & Weitz, 1990; Weitz et al., 1986)</p> <p>Clear sales presentation (Behrman & Perreault, 1982; Cravens et al., 1993; Piercy et al., 2006; Piercy et al., 1998)</p>
Customer contact:	<p>Business contact and social contact (Doney & Cannon, 1997)</p> <p>Interaction intensity (Boles et al., 2000)</p> <p>Regular contact (Beverland, 2001)</p> <p>Entertaining (Moncrief, 1986; Moncrief et al., 2006)</p>

Table 2-3 Activities relevant to a salesperson's relationship focus (continued)

Activity category	Relevant issues discussed in the literature
Customer contact	Socialising (Geiger & Turley, 2005) Social relationship marketing activities (Palmatier, Scheer et al., 2007) Depth of contact within the customer (deep networks) (Davies et al., 2010)
Service:	
Service or product support	Servicing the product, service the account (Moncrief, 1986) Post-sale support (Boles et al., 1996; Manning & Reece, 2007) Service (Brashear et al., 1997; Piercy & Lane, 2003) Sales support (Babakus et al., 1996; Piercy et al., 2006; Piercy et al., 1998) Relationship (bring in vendor/alliance, network) (Marshall et al., 1999) Provide high levels of service (Beverland, 2001) Pre-sales and after-sales service (Guenzi, 2002) Product support (Moncrief et al., 2006)
Information supply	Provide technical information (Marshall et al., 1999; Moncrief, 1986) Mutual disclosure (Boles et al., 2000) Information exchange (Walter & Gemünden, 2000) Share product knowledge (Beverland, 2001) Communication (transmission of information and communication to the customer) (Guenzi, 2002) Information communication (Ahearne et al., 2007)
Coordination:	
Internal coordination	Need for coordination with firm and selling team (John & Weitz, 1989) Teamwork (Piercy et al., 2006; Piercy et al., 1998) Team building/team selling (coordinate with sales support) (Marshall et al., 1999) Intrepreneurial ability (Sengupta et al., 2000) Coordination of the selling team inside the seller company (Guenzi, 2002) Coordination, role formalisation, transparency (Georges & Eggert, 2003) Salesperson navigation (Plouffe & Barclay, 2007; Plouffe et al., 2010)
Inter-firm coordination	Searching for appropriate actors, bringing actors together, coordinating activities, getting negotiation results when conflict arises (Walter & Gemünden, 2000) Lateral interaction (Georges & Eggert, 2003) Help clients plan, channel support (Moncrief et al., 2006) Customisation and integration, deployment, post-deployment (Tuli et al., 2007)

All six activities are relevant to achieving a higher level of access and use of the buyer's resources for co-creation. Learning about the seller's resources helps salesperson to keep abreast of the knowledge about the seller's business, products and services and resources that are relevant to co-creation. The expertise built through this learning also helps to develop customer's trust and to identify co-creation opportunities. Learning about the buyer develops the knowledge for establishing credibility with a buyer and engaging the buyer in co-creation related dialogue. Regular customer contact and service are important means for developing customer's trust, which may influence customer's willingness to allocate resources to their relationship with the seller. Customer contact and service are also important for gaining the chances for communicative interaction with the customer and continuously updating the knowledge of the customer and the relationship. The learning in turn may lead to the identification of new co-creation opportunities. Selling engages the buyer in co-creation related dialogue and communicates effectively with the customer. Both internal coordination and inter-firm coordination are needed for facilitating the co-creation process. While internal coordination obtains the relevant internal resources for co-creation and makes effective of the seller's resources allocated to the relationship, inter-firm coordination aligns the activities of the buyer, the seller and other relevant third parties that are interdependent, helps to reduce the operational cost, and solves the problems or conflicts.

The above review forms the basis for assessment of the salesperson's relationship focus, which will be further explored through interviews. It shows that the above six types of activities are important for achieving good relationship performance for the seller in the contemporary market. However, there is no simultaneous examination of the impact of these activities on the outcome of the relationship for the seller. In particular, there is no direct research relating to which types of salesperson's activities will influence the level of the buyer's resources that are accessed and used for co-creation, i.e., the availability of the buyer's resources, which is critical for gaining good relationship performance for the seller and will be explored in the next section.

2.4 Availability of buyer's resources

This section explores the nature of buyer's resources that, when made available to the seller

and used appropriately, can deliver relationship performance for the seller. The definition of a resource is discussed first, followed by the classifications of the resources that are potentially available from a marketing relationship. It then discusses relationship investments, relationship adaptations and joint actions, all of which indicate the actual level of access and use of the buyer's resources for co-creation.

2.4.1 Definition of a resource

The traditional view of resources focuses on the resources that are owned or controlled by the firm. For example, Wernerfelt (1984, p. 172) defines resources as “(tangible and intangible) assets which are tied semi-permanently to the firm”, such as brand names, in-house knowledge of technology, employment of skilled personnel, trade contacts, machinery, efficient procedures, capital, etc. Barney (1991, p. 101) suggests that firm resources “include all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness”. Amit and Schoemaker (1993, p. 35) define resources as “stocks of available factors that are owned or controlled by the firm”. Grant (1991, p. 129) argues that “the firm's most important resources and capabilities are those which are durable, difficult to identify and understand, imperfectly transferable, not easily replicated, and in which the firm possesses clear ownership and control”. The proprietary assumption places concern on securing rents by imposing resource-position barriers for protecting the proprietary resources, and discourages the cooperative behaviour between organisations (Lavie, 2006).

Later on, researchers recognise that a firm's critical resources may span organisational boundaries (Dyer & Singh, 1998). Researchers note that through collaborative inter-firm relationships, firms gain the right to utilise and employ the resources of its relationship partners (Lavie, 2006) and earn the relational rents that are jointly generated with collaborative relationship partners (Dyer & Singh, 1998). The “network resources” (Gulati, 1999) transferred via direct inter-firm interactions have considerable impact on firm performance (Dyer & Singh, 1998; Lavie, 2006). These resources are “available” (Hunt & Morgan, 1995) or “addressable” (Sanchez & Heene, 1997), however, “external” (Srivastava et al., 1998) to the firm.

The marketing literature views customer relationships as resources of the firm or sources of resources of the firm (Srivastava, Fahey, & Christensen, 2001; Srivastava et al., 1998; Storbacka & Nenonen, 2009) that may lead to sustainable competitive advantage (Hogan & Armstrong, 2001). In the resource advantage theory, Hunt and Morgan (1995, p. 6) define resources as “the tangible and intangible entities available to the firm that enable it to produce efficiently and/or effectively a market offering that has value for some market segment or segments”. Based on this definition, researchers argue that “relationships become relational resources when they contribute to the firm’s ability to efficiently/effectively produce market offerings that have value for some market segments” (Hunt et al., 2006, p. 77). Hunt (2000, p. 128) further suggests that a firm’s resources can be categorised into seven categories: financial (e.g., cash reserves and access to financial markets), physical (e.g., plant, raw materials, and equipment), legal (e.g., trademarks and licenses), human (e.g., the skills and knowledge of individual employees, including, importantly, their entrepreneurial skills), organisational (e.g., controls, routines, cultures, and competences – including, importantly, a competence for entrepreneurship), informational (e.g., knowledge about market segments, competitors, and technology), and relational (e.g., relationships with competitors, suppliers and customers).

Some researchers distinguish capability from resources and highlight the importance of making effective use of the resources. For example, Storbacka and Nenonen (2009, p. 361) define a firm’s resources as “the physical (e.g. specialized equipment, geographic location), human (e.g. skills and knowledge), structural (e.g. routines, practices and processes), and relational (e.g. relationships to suppliers, partners, alliances and customers) assets that can be used to implement value-creating strategies” and capabilities as “a firm’s ability to utilize its resources effectively (to achieve goals)”. In Vargo and Lusch’s (2004) terminology, the way Storbacka and Nenonen’s (2009) distinguish resources and capabilities would correspond to “operand” and “operant” resources. Vargo and Lusch (2004) use the term of “operand resource” to describe the resources on which an operation or act is performed to produce an effect and “operant resources” the resources that are capable of acting on operand (and operant) resources and producing effects. According to Day (1994, p. 38), “capabilities are complex bundles of skills and accumulated knowledge, exercised through organizational processes, that enable firms to coordinate activities and

make use of their assets". Thus, capabilities are operant resources and influence the outcomes of the firm's overall resources.

Operant resources are important for a firm's sustainable competitive advantage. According to the RBV (Barney, 1991; Wernerfelt, 1984), the heterogeneity and immobility of a firm's strategic resources are important potential sources of the firm's competitive advantage. A firm will have competitive advantage when its resources and its combination of resources are valuable, rare (Barney, 1991), imperfectly mobile (Collis, 1991; Dierickx & Cool, 1989), imperfectly imitable and imperfectly substitutable (Barney, 1991; Dierickx & Cool, 1989). A firm's operand resources are typically physical, and its operant resources are typically human, organisational, informational and relational (Hunt, 2004). In addition, operant resources can be placed in hierarchical orders, and higher-level operant resources are more difficult than lower-level resources to acquire and/or develop, and therefore can contribute to a firm's competitive advantage that can be sustained for a longer period of time (Madhavaram & Hunt, 2008). Madhavaram and Hunt (2008) suggest that examples of a firm's higher-level operant resources include a firm's market orientation (Kohli & Jaworski, 1990; Narver & Slater, 1990), alliance competence (Lambe, Spekman, & Hunt, 2002), absorptive capacity (Zahra & George, 2002), knowledge management competence (Arnett & Badrinarayanan, 2005), market relating capability (Day, 1994), and organisational learning capability (Jerez-Gomez, Cespedes-Lorente, & Valle-Cabrera, 2005). According to Eisenhardt and Martin (2000), all these higher-level operant resources would represent a firm's "dynamic capability", which they suggest is the true locus of the firm's long-term competitive advantage. These operant resources are important as they can lead to unique combination of resources. Researchers note that competitive advantage may result from unique combination of resources even though the individual resources in the combination may not possess the characteristics such as rare, imperfectly imitable, and imperfectly substitutable (Smith et al., 1996). Consistently, the resource advantage theory argues that "[a] comparative advantage in resources exists when a firm's resource assortment (e.g., its competencies) enables it to produce a market offering that, relative to extant offerings by competitors, (1) is perceived by some market segments to have superior value and/or (2) can be produced at lower costs" (Hunt & Morgan, 1995, p. 7).

Boundary employees, such as salespeople, are important operant resources of the firm who can influence the way the customers' resources are used with the seller's. Researchers argue that employees should be viewed as operant resources and value co-creators (Lusch et al., 2007). In the resource advantage theory (Hunt & Morgan, 1995; Hunt & Morgan, 1996), both people's entrepreneurial skills and organisations' entrepreneurial capabilities are viewed as a firm's important resources and are the sources of innovation. Under the SD logic, researchers argue that by treating employees as operant resources, firms will be able to develop more innovative knowledge and skills and thus gain competitive advantage (Lusch et al., 2007). Ballantyne and Varey (2006a) note that a firm's employees' know-how or competencies are operant resource and can be directly applied in creating value. In relationship context, Walter (1999) notes that boundary spanners, such as salespersons and sales managers, have taken up of the role as relationship promoters. They identify appropriate partners of different organisations, bring these partners together, and facilitate the dialogue and the exchange processes between them. They build support for partner-specific adaptations, develop structural and social bonds, cultivate cooperative norms, shape demands of customers, and coordinate tasks of relationship teams. Thus, they can influence the way two firms' resources are integrated, and thus affect the value co-creation in the relationship. This research is particularly interested in this individual level's personal impacts in co-creation.

Overall, the review of the definitions of resources suggests that customer's resources are available and necessary for co-creation. Operant resources are important in making effective use of the resources available to the firm for creating value or achieving goals. Salesperson influence co-creation through affecting the way the two firms' resources are combined and used. What customer's resources are potentially available for co-creation is discussed next.

2.4.2 Classification of accessible resources

Existing literature provides the classification of the resources that are potentially accessible through marketing relationships. Morgan and Hunt (1999) suggest that there are seven categories of resources a firm may gain through its marketing relationships. These seven categories of resources are financial (e.g., cash reserves and access to financial markets),

physical (e.g., plant, raw materials, and equipment), legal (e.g., trademarks and licenses), human (e.g., the skills and knowledge of individual employees, their entrepreneurial skills), organisational (e.g., control processes and systems, cultures, and competences), informational (e.g., knowledge about market segments, competitors, and technology), and relational (e.g., relationships with competitors, suppliers, and customers).

In terms of human resources, researchers note that many aspects of customer's skills can influence the effectiveness of the supplier's offering, such as customer's competence in clearly defining and describing its problems, their ability to build relationships with suppliers, their capability of working with the supplier to develop its offering and to ensure that it is implemented, and their ability to integrate an offering with the offerings of other suppliers and with its own operations (Ford et al., 2006). In their study on reseller-supplier relationships, Kumar, Stern and Achrol (1992) note that a reseller firm's human resources can contribute to the supplier firm's human resource development if the reseller's employees have the experience and product knowledge in the supplier's product category, and capability in administration, supervision and making strategic decisions.

Buyer's organisational resources, informational and human resources are particularly important for relationship value co-creation as they help to make good use of seller's offering and may contribute to "co-production" of the offering (Lusch & Vargo, 2006). Based on the RBV, Zander and Zander (2005) argue that there are four aspects of using established customers to achieve sustainable competitive advantage and long-term growth: (1) inside access to information about emerging customer needs; (2) assimilation and exchange of customer's knowledge through joint problem-solving activities; (3) rapid assimilation of new and previously unexploited skills and resources; and (4) protection against imitation through time-compression diseconomies and causal ambiguity. These aspects are largely associated with the buyer's organisational resources, informational resources and human resources. Buyer's relational resources would be important for value co-creation when further resources are needed from the buyer's relational networks for making good use of the seller's offering for the customer or for value co-production. The seller, in the meantime, will obtain the reciprocal return.

Quantitatively, researchers find support of the importance of the buyer's intangible resources for the seller. Baxter and Matear (2004) find that the level of the buyer's employees' competence and intellectual agility and their attitude towards the seller firm, and the extent to which the buyer's intangible structural resources are beneficial to the seller positively affect the future financial performance of the relationship for the seller. The intangible structural resources include buyer's relational resources (i.e., its relationship with other third parties), organisational resources (e.g., intellectual property, brands, and information in the database) and future developmental plans.

Consistent with Baxter and Matear's (2004) findings, Walter et al. (2001) find that customer relationships have both direct and indirect value creation functions for the seller. The direct value creation functions are (1) profit function, which refers to the relative direct revenue from a customer, (2) volume function, which is the volume of business brought by a customer, (3) safeguard function, which refers to a guaranteed level of business and revenue from a customer. According to Morgan and Hunt's (1999) classification, the profit, volume functions will be closely associated with the buyer's physical resources, financial resources, informational resources, and organisational resources. The indirect value creation functions are (1) innovation function, which generates value for the seller through buyer's inputs in product and process innovation, (2) market function, which creates value through the reference impact of the buyer which helps the seller to accrue new customers, (3) scout function, which provides value through permitting access to buyer's information system, and (4) access function, which brings value to the seller through gaining access to buyer's relationships with other actors in the working environment. Market and access functions will be closely associated with the buyer's relational resources, and innovation and scout function will be associated with the buyer's organisational resources and human resources according to Morgan and Hunt (1999).

Overall, buyer's resources that potentially can be accessed and used by the seller may include buyer's physical, financial, human, organisational, informational, and relational resources. Among these resources, operant resources, such as human resources, organisational resources, and informational resources are particularly important for relationship value co-creation. However, not every customer has all types of resources that

are useful for co-creation with a particular seller, and not every customer would happily participate in co-creation and share all their useful resources with a particular seller. Thus, the actual level of the buyer's resources being accessed and used for co-creation, that is, the availability of the buyer's resources, needs to be explored. The evidence of the availability of the buyer's resources is provided next.

2.4.3 Evidence of availability of the buyer's resources

As discussed in section 2.2, complementary resources shared and relationship-specific investments made by relationship partners are important for relational rent generation (Dyer & Singh, 1998). For resource integration in buyer-seller relationships, both the buyer and the seller can allocate more of their resources or make investments to the relationship for the resource integration and value co-creation (Kohli, 2006). To effectively link the buyer's and the seller's activities and tying the two firms' resources, mutual adaptations would take place (Håkansson & Snehota, 1995). The relationship adaptations made by the buyer show that the buyer has oriented their resources towards the seller for the seller's benefit and for mutual benefit in the end. On the other hand, joint action taken by the two firms involves the use of both firms' resources that are complementary for co-creation and thus is relevant to the actual level of buyer's resources that are accessed and used for co-creation. Therefore, relationship investments and relationship adaptations, and joint actions are discussed in this section. Table 2-4 briefly summarises the literature on relationship investments, relationship adaptations and joint actions and the details are discussed next.

Table 2-4 Evidence of the availability of the buyer's resources

Evidence of the availability of the buyer's resources	Sources
<p>Relationship investments:</p> <ul style="list-style-type: none"> • Relationship investments: minimal investment, relationship-specific investment, relationship development investment, and secondary investment • Relationship-specific investments in immobile physical capital investments (e.g., customised machinery, tools), relationship-specific know-how development • Knowledge-based investments (e.g., systems and procedures), invest in training, or time and effort to learn a supplier's product, and money • Idiosyncratic investments (knowledge, investments, joint business) • Buyer's relationship-specific investments include providing supplier with training in statistical process control, assigning support personnel to the supplier's facilities, providing supplier with equipment or tools for process improvement, providing supplier with capital for new investments at their facilities 	<p>Easton and Araujo (1994)</p> <p>Dyer and Singh (1998)</p> <p>E.g., Heide and John (1988), Brown et al. (2009), Jap and Ganesan (2000) Jap (1999)</p> <p>Humphreys et al. (2004)</p>
<p>Relationship adaptations:</p> <ul style="list-style-type: none"> • Relationship adaptation • Dyadic adaptations in product/process technology, product/service specification, production/planning/scheduling, delivery, information exchange, financial and contractual terms and conditions, organisational structure and personnel 	<p>E.g., Håkansson and Snehota (1995)</p> <p>Brennan,Turnbull, and Wilson (2003), Schmidt, Tyler, and Brennan (2007)</p>
<p>Joint actions:</p> <ul style="list-style-type: none"> • Joint actions in tool development and product design, joint value analysis and cost targeting, joint design of quality control and delivery systems, joint long-term planning • Customer's involvement in decision making and planning • Joint actions in logistics process development, planning, establishment of objectives, joint decisions for improving cost efficiencies • Customer-involved in different phases of new product development: idea generation, product concept development, project definition, engineering, or prototype building, prototype testing and market launch • Co-branding/co-marketing 	<p>E.g., Heide and John (1990), Joshi and Stump (1999)</p> <p>Duffy and Fearn (2004)</p> <p>Gimenez and Ventura (2005)</p> <p>E.g., Gruer and Homburg (2000), Ritter and Walter (2003)</p> <p>Srivastava et al. (1998), Tuli, Bharadwaj, and Kohli (2010)</p>

2.4.3.1 Relationship investments

More or less, buyers will need to make some investments in their dealings with sellers. Easton and Araujo (1994) classify relationship investments into four categories: (1) minimal investment, which refers to the bare minimum required to do business at all, (2) relationship specific investment, which includes investments designed to foster trust within the relationship, (3) relationship development investment, where both parties invest in the development of tangible and intangible relationship resources, so that the relationship itself is being used to create new resources, and (4) secondary investments, which occur where the resources created within the relationship are used by one or both parties to develop new business opportunities. As relationship investment increases from minimum to relationship development investment and secondary investments, the availability of the resources for co-creation from the investor firm increases.

Relationship-specific investments may involve immobile resources, physical capital investments (e.g., customised machinery, tools) (e.g., Dyer & Singh, 1998), and knowledge-based investments (e.g., systems and procedures) (J. R. Brown et al., 2009; Heide & John, 1988), and money (Heide & John, 1992; Jap & Ganesan, 2000). In addition, the investments may involve relationship-specific know-how development (Dyer & Singh, 1998). Buyers may need to invest in their human resources for the seller, such as training, or time and effort to learn a supplier's product (J. R. Brown et al., 2009; Heide & John, 1988). In supply chain research, Humphreys, Li, and Chan (2004) show that the buyer's relationship-specific investments include providing supplier with training in statistical process control, assigning support personnel to the supplier's facilities, providing supplier with equipment or tools for process improvement, providing supplier with capital for new investments at their facilities.

When a firm makes relationship-specific investment, it is likely to engage in co-creation activities to gain satisfactory outcome from the investment. It is noted that the value the idiosyncratic transaction-specific investments, such as human and physical capital investment, will be much lower in best alternative uses or by alternative users if the original transaction is prematurely terminated (Williamson, 1979, 1985). Palmatier et al. (2006) find

in their meta-analysis that seller's relationship-specific investments have positive impact on customer-focused relational mediators including trust, commitment, relationship satisfaction, and relationship quality, all of which in turn lead to positive relationship outcomes for the seller. From the buyer's perspective, Palmatier, Dant, et al. (2007) find that buyer's relationship-specific investment together with buyer's commitment to and trust in the seller are the key drivers of the relationship performance for the buyer. In supply chain research, Humphreys et al. (2004) find that buyer's transaction-specific supplier development, measured by buyer's direct investments in the relationship, buyer's expectations for supplier improvement and joint actions between both parties, significantly contribute to the prediction of (1) supplier performance improvement measured in buyer's viewpoint, (2) buyer competitive advantage, and (3) buyer-supplier relationship improvement.

If both firms make relationship investments, these investments are likely to lead to better relationship performance for both firms. According to the RBV, relationship-specific investments are important source of relational rent generation (Dyer & Singh, 1998). Wilson (1995) notes that, as a relationship develops into a higher stage, such as value creation stage, non-retrievable investments will be made by the two relationship parties to increase value creation and to build stronger structural bonds. Jap (1999) finds in a longitudinal study that over time relationship-specific investments lead to enhanced profit performance and competitive advantage for the dyad.

Overall, high level of buyer's relationship investments shows that higher level of buyer's resources are accessed and used for co-creation. Once a buyer makes a relationship-specific investment, the buyer is likely to engage in co-creation related dialogue with the seller so that they can capitalise on what they have invested. If the seller also makes relationship-specific investments in the relationship, both firms are likely to gain good outcome from their investments.

2.4.3.2 Relationship adaptation

Relationship adaptations help firms to integrate their resources effectively for co-creation.

Researchers argue that mutual relationship adaptation is a prerequisite of the continued existence of a business relationship (Hallen, Johanson, & Seyed-Mohamed, 1991). According to Håkansson and Snehota (1995), when two firms try to synchronise or match their activities with regard to technical attributes, time or administration, their activities become linked. This activity linking is achieved through mutual adaptation. Firms obtain more benefit out of the relationship through making relationship adaptations (Hagberg-Andersson, 2006). Håkansson and Snehota (1995) note that, when sellers make adaptations, the solutions for the customer will be more effective. Similarly, Tuli et al. (2007) find that when customers are willing to adapt, the solutions are more effective. This would have positive impact on the sellers' relationship performance (Håkansson & Snehota, 1995). Håkansson and Snehota (1995) argue that firms can always exploit the interdependence of the activities between them and benefit from improved coordination and reallocation of intra- or inter-firm activities, which will act on the relevant resources and make good use of the resources.

Relationship-specific adaptations shows evidence of buyer's resources being accessed and used by the seller, and the seller is able to enjoy the associated benefits. Researchers find that there are seven types of relationship-specific adaptations made by the customer for the supplier. These seven types are adaptations in product/process technology, product/service specification, production/planning/scheduling, information exchange, delivery, financial and contractual terms and conditions, organisational structure, and personnel (Brennan et al., 2003; Schmidt et al., 2007). For example, customers may change the sequence in which products are produced to suit the production process of a supplier. They may alter their production schedule to accommodate particular suppliers. Customers may also change their product specification to work more effectively with a strategic supplier. They may give particular suppliers privileged access to their management information systems, which could involve augmenting or altering the information system to interface with the supplier system. Customers may give a supplier access to stock information or demand forecasts, which are important for the supplier. Customers may also change their inventory and distribution procedures to accommodate their strategic suppliers. They may make special payment arrangements as requested by their suppliers. Finally, they may accept special partnership sourcing arrangements required by their suppliers. In addition, Schmidt et al.

(2007) find that firms make relationship adaptations mainly due to the demand of the end customers and direct operational needs. Firms also make relationship-specific adaptations to show their intention to develop the relationship into a strategic one (Dwyer, Schurr, & Oh, 1987; Schmidt et al., 2007; Wilson, 1995) so both can obtain good outcome from the relationship.

Overall, similar to relationship-specific investments, higher level of relationship adaptations made by the buyer indicates that higher level of the buyer's resources are accessed and used by the seller for co-creation. In addition, relationship adaptations are likely to be mutual and beneficial to the two parties involved. Thus relationship adaptations made by the buyer is likely to lead to good relationship performance for the seller.

The concepts of relationship-specific investment and relationship-specific adaptations largely overlap. Some researchers argue that relationship investments are fully contained in the concept of relationship-specific adaptations (Brennan et al., 2003) while others view relationship-specific adaptations as relationship investments (Cannon & Perreault Jr., 1999). The current research views relationship-specific adaptations as relationship investment.

2.4.3.3 Joint action

While relationship adaptations may be taken by both parties in the relationship or by one party only, joint action is taken by both parties, and uses the resources of both firms. Thus, the level of joint action taken by the buyer and the seller also indicates the level the buyer's resources are actually accessed and used for co-creation. Examples of joint action in industrial purchasing relationships include joint tool development and product design, joint value analysis and cost targeting, joint design of quality control and delivery systems, and joint long-term planning (Heide & John, 1990; Joshi & Stump, 1999). However, the research on joint actions focuses on identifying the antecedents of joint actions and researchers find that relationship-specific investments positively predict joint action (Heide & John, 1990; K. Kim, 1999). Other research streams provide useful insights on the impact of joint actions, such as supply chain research, new product development literature, and are discussed next.

The supply chain research results suggest that joint actions of a customer and their supplier have positive impact on the outcome of the relationship for the supplier or both firms. Duffy and Fearne (2004) find that customer's involvement in decision making and planning is a significant predictor of the performance of the relationship for the supplier. Gimenez and Ventura (2005) find that joint actions in logistics process development, planning to anticipate and resolve operative problems, establishment of objectives, decisions about ways to improve cost efficiencies contribute to achieving costs, stock-outs and lead-time reductions for retailer relationships.

Consistent with the above supply chain studies, the new product development literature finds that joint actions taken by the buyer and the seller in new product development can lead to successful product development. The involvement of lead users can help to generate ideas for new products (Herstatt & von Hippel, 1992; Thomke & von Hippel, 2002; von Hippel, 1986). Customers may take the role of co-designer of the offering and help the seller to plan and introduce new service offerings and provide information for improving the seller's existing service offerings (Gouthier & Schmid, 2003). The studies in this area focus on customers' involvement at different new product development phases, such as idea generation, product concept development, project definition, engineering, or prototype building, prototype testing and market launch (Ritter & Walter, 2003). Representatives from both the supplier and the customer form an integrated product development team if the relationship between the two firms are close (Lagrosen, 2005).

Some researchers find that customer involvements in the early and later stages of product development are positively associated with new product success (Gruner & Homburg, 2000). Others find that customer involvement may have negative impact on innovation success (e.g., Knudsen, 2007). It is noted that average customers are unable to articulate needs and wants for the products that are technologically and functionally advanced, or to conceptualise ideas beyond the realm of their own experience (Riesz, 1980). Boner and Walker (2004) find that, for different types of new product development projects, different types of customers are required for involvement. While homogeneous customers' involvement is better for incremental projects, heterogeneous customers' involvement is better for highly innovative development projects, as the requirements for idea generation

are different for different types of innovation projects.

This stream of literature suggests that the value of customer involvement is determined by customer's capability for innovation, their motivation and the degree of involvement (Brockhoff, 2003; von Hippel, 1986). Successful product development requires customers' active participation in the new product development process, rather than just passively providing feedback for the new product concepts presented to them (Lengnick-Hall, 1996; Neale & Corkindale, 1998). When customers are actively involved in the development process, they can help firms not only to refine the technology, but also to test products' marketability (Cooper & Kleinschmidt, 1993). Overall, it is important to find the right customer who possesses the knowledge and capabilities necessary for a particular stage of the innovation project (Enkel et al., 2005).

The joint actions may also involve co-branding and co-marketing activities, which help the seller to make good use of the buyer's brands and to obtain better performance. Researchers note that beyond selling goods/services, suppliers may have other ties with a customer, such as marketing alliances (Tuli et al., 2010). They find that an increase in the number of different types of ties with a customer results in an increase in the supplier's sales to the customer and a decrease in the supplier's sales volatility to that customer. In addition, the effect on sales volatility is stronger if the customer operates in a more competitive environment. Consistently, in the relationship literature, researchers argue that market-based assets, such as customer relationships and partner relationships, accelerate and enhance cash flow through strategic alliances and co-branding and co-marketing (Srivastava et al., 1998). Through co-branding, both partners gain access to the other's customer base (i.e., an existing resource) and make good use of it for gaining a better cash flow.

Overall, joint actions indicate that both the seller and the buyer gain the access to each other's existing resources that are complementary to their own and make use of the resources for co-creation. Higher level of joint action taken by the buyer and the seller shows a higher level of availability of buyer's resources for co-creation.

2.4.4 The availability of the buyer's resources

The above review shows that buyer's resources are accessed and used for co-creation of value and hence for relationship performance. The resources may contribute to the seller firm's competitive advantage that is sustainable and enhance the relationship performance for the seller. Buyer's resources potentially available for co-creation may include buyer's human resources, organisational resources, relational resources, physical resources and financial resources. In addition, buyer's human resources, organisational resources and relational resources are particularly important for co-creation as they are operant resources and can select and make use of the resources that are potentially accessible to both firms and to create value for both firms.

The research on relationship specific investments and adaptations and joint actions shows evidence that buyers do allocate their resources for co-creation, and both the buyer and the seller gains benefit out of the buyer's input of resources. A high level of relationship investments or relationship adaptations made by the buyer, and joint actions taken by the buyer and the seller indicate that a high level of the buyer's resources is accessed and used for co-creation, thus the availability of the buyer's resources is high.

While the review helps to clarify the domain of the construct of the availability of the buyer's resources, measures still need to be developed. In addition, how the availability of the buyer's resources could be influenced by the salesperson activities needs to be explored. The issue is important as the availability of the buyer's resources is associated with the relationship performance for the seller. The literature of relationship performance is review next.

2.5 Relationship performance

Relationship performance has several aspects as the value of the relationship has both short-term and long-term aspects and may involve strategic issues. Wilson and Jantrania (1994) suggest that relationship value has three dimensions: (1) economic dimension, which includes cost reduction, value engineering, investment quality, and concurrent engineering, (2) strategic dimension, which includes goals, time to market, strategic fit, and core competencies, and (3) behavioural dimension, which includes social bonding, trust,

and culture. They also note that it is very difficult to measure all these dimensions of value. For example, Wilson (1995) notes that the “nonaccounting value” created in a relationship, such as concurrent engineering activities and technology improvement, is seldom measured as it is difficult to place a value on these high levels of value creation.

From the customer’s perspective, relationship performance may include seller’s performance that is important for the customer, such as seller’s performance on delivery and product quality, and customer’s performance in production derived from seller’s products and services, and customer’s performance in production derived from seller’s knowledge transfer (Fink, James, & Hatten, 2008). Ulaga (2003) identifies that, apart from the product quality, delivery performance and service support, relationship benefit dimensions from a customer’s perspective also include supplier know-how, personal interaction, and time-to-market. O’Toole and Donaldson (2002) find that operational relationship effectiveness such as speed of response, product quality, lead times, and long-term relationship benefits such as stability and joint value-added projects are the non-financial factors of the relationship performance for the customer, and the financial performance has dimensions such as long-term profitability, prices, return on investment, bought volume, running cost, interdependence, cost sharing, risks of abuse of confidence and information sharing.

Consistent with the above points, Möller and Törrönen’s (2003) suggest that the value that a supplier is able to provide for a business customer could be classified in three dimensions: efficiency, effectiveness and network dimensions. They argue the value associated with the efficiency dimension of a supplier relationship covers the profit, volume and safeguard functions of a relationship. A supplier with a high efficiency level in utilising its resources is more likely to provide lower price products, which leads to higher profit for the customer. In addition, a supplier with a large capacity and the capability of forecasting the demand fluctuations can secure volume needed by the customer and provide safeguard in terms of meeting customer’s demand. In addition, the relationship dyad can also achieve higher level of efficiency through making adaptations to each other’s operation processes, such as Just-in-Time arrangements. The value associated with the effectiveness dimension of the relationship refers to the innovation function of the relationship. An effective supplier with

innovation capability can offer new product and process solutions that provide more value to customers than existing offers. Finally, the value associated with supplier's network includes values created by the resource-access function, scout function, and market-signalling function of the relationship. Supplier's network resources that are valuable for the customer to access to include potential R&D partners and channel actors. Suppliers can also offer valuable market information for customers, which is the scout function of the relationship. Finally, doing business with suppliers with good image or reputation may have a positive reference or signalling effect on customer's business.

From the seller's perspective, relationship performance may include financial performance of the relationship, such as profit and volume from the customer (Walter, Ritter, & Gemünden, 2001), share of customer's business and sales growth (Palmatier et al., 2006), efficiency in inventory management and operational cost control (Selnes & Sallis, 2003), effectiveness in developing new products and entering new markets (Helfert et al., 2002) and useful knowledge creation (A. Malhotra, Gosain, & El Sawy, 2005) through the help of the buyer.

Researchers note that customers can help firms to achieve economies of scale (Barringer & Harrison, 2000). In the sales literature, relationship performance is frequently measured in terms of sales or achieving sales objectives, share of customer's business, achieving price premium or good margin, and sales growth (e.g., Ahearne et al., 2007; Palmatier, Scheer, Evans, & Arnold, 2008; Palmatier, Scheer et al., 2007). In addition, researchers note that the financial performance of the relationship may be measured objectively or subjectively (e.g., Duffy, 2008; Jap, 1999; Medlin, 2006) and may involve future performance (Baxter & Matear, 2004; Duffy, 2008; Duffy & Fearne, 2004). Subjective measures are used mainly due to the difficulties of obtaining accurate financial performance figures (Duffy, 2008). Future performance is used to capture the seller's beliefs and expectations of the future prospects for the relationship.

Relationship performance may also be measured qualitatively (e.g., Bucklin & Sengupta, 1993; Selnes & Sallis, 2003; Sengupta et al., 2000). Bucklin and Sengupta (1993) note that quantitatively tracking benefits that are due to relationship partners' joint efforts is difficult,

if not impossible, and argue that a qualitative approach should be used in measuring relationship performance. They suggest that relationship performance should be measured in terms of whether the relationship is “worthwhile, equitable, productive and satisfying” (Van De Ven, 1976, p. 29). Some studies have been taking this approach (McIntyre, Thomas, Tullis, & Young, 2004; Sengupta et al., 2000), including relationship learning research, which uses this approach to measure the effectiveness dimension of relationship performance (e.g., Selnes & Sallis, 2003).

Research on relationship learning shows that relationship learning can lead to improved relationship efficiency and relationship effectiveness (Jean & Sinkovics, 2010; Lai, Pai, Yang, & Lin, 2009; Ling-yee, 2006; Selnes & Sallis, 2003). Relationship efficiency is measured in terms of the flexibility to handle unforeseen fluctuations in demand, improvement in product or service quality, and decrease in logistic costs. Relationship effectiveness is measured in terms of improvement in ability in developing successful new products, getting ahead of competitors over understanding of customers’ changing preferences, and better synergy of the two firms over joint sales and marketing efforts. Consistently, researchers note that relationship has advantages such as flexibility, develop new products or services and entering new markets (Barringer & Harrison, 2000), and suggest that quality improvement is part of relationship performance (Dyer, 1996; J. R. Evans & Laskin, 1994).

New product development is widely recognised as an important outcome of relationships. Walter et al. (2001) find that customer relationships have innovation and scout function for the firm. Innovation function generates value through joint product and process development and scout function offers seller valuable information. Möller (2006) also notes that relationship value should include the value created through buyer-seller joint activities, such as joint product development. Schultz and Evans (2002) include synergistic solution creation as an outcome of the relationship for the seller and find that it can be influenced by the key account sales representative’s collaborative communication with the customer.

In terms of the effectiveness of the relationship for gaining access to new markets, word-of-mouth is often measured as customer-focused relationship marketing outcome

(Palmatier et al., 2006). Matthyssens and Van den Bulte (1994) argue that prestigious customers can be used as references even if they do not generate a direct financial profit. This argument is supported by IMP group's idea of actor bonds, which suggests that "a company's position in the overall web of bonds ... affects its identity as well as its character ... [and] third parties may be interested in, and affected by, the existence of bonds in a certain relationship" (Håkansson & Snehota, 1995, pp. 199-200). In the sales literature, customer's willingness to refer or recommend is an desired outcome for salespeople (Boles, Barksdale, & Johnson, 1997).

In terms of the effectiveness of the relationship for useful knowledge creation, researchers note that being in a relationship may lead to the creation of useful market knowledge, including the knowledge about the firm's current markets, customer needs, emerging markets, competitors, distribution, service, and strategy formulation (A. Malhotra et al., 2005). In addition, some of the knowledge may be transferrable and can be used in other relationship management. For example, Johnsen and Ford (2006) observed in their study of the relationships between small suppliers and large customers in UK textile industry, Feltco's development of recycling projects with its larger carpet industry customer had radically changed its ways of managing its entire customer portfolio. Theoretically, researchers argue that relationships have positive knowledge spillover effects (Madhok & Tallman, 1998; Mayer, 2006). Håkansson and Snehota (1995) argue that relationship has a function for the individual company. The function is dependent on "how what is produced in the dyad can be connected to other internal elements of the company" (Håkansson & Snehota, 1995, p. 27).

Therefore, relationship performance may be measured quite differently depending on the purpose of the research. The current research concerns the salespeople's influence on the availability of the buyer's resources, through which salespeople will be able to realise the potential relationship value for the seller. Financial performance is chosen for measuring the relationship performance for the seller as it is the ultimate assessment of a relationship. Both the sales literature and the relationship literature provide lots of measures for assessing the relationship performance for the seller, and items appropriate for the current study need to be selected. The selection of the measurement items is discussed in detail in

section 5.2.

2.6 Conclusion

In business relationships, value is co-created through the integration of the resources of the two firms involved in the relationship (Vargo & Lusch, 2008, 2011). Thus, to realise more value from a relationship, the seller needs to engage the buyer in co-creation related dialogue and persuade the buyer to allocate more resources to the relationship for a higher level of resource integration and value co-creation (Kohli, 2006; Storbacka & Nenonen, 2009). Therefore this study chooses the availability of the buyer's resources as a key construct to explore the salesperson's role in co-creation. This study argues that with a certain level of relationship focus, the salesperson will direct his/her activities towards the ones that will influence the level the buyer's resources are accessed and used for co-creation or value creation for both firms.

The literature review develops the basis of the two constructs proposed in the current study: the availability of the buyer's resources and the salesperson's relationship focus. The review shows that a buyer's resources that are potentially useful for co-creation may include both tangible resources (i.e., financial and physical resources) and intangible resources (e.g., human, organisational, and relational resources) (Baxter & Matear, 2004; Morgan & Hunt, 1999). Evidence from the studies related to relationship investments, relationship adaptations and joint actions shows that buyers do allocate resources, such as skilled personnel, equipment or other capital investments, to the relationship for achieving better mutual benefits from the relationship (e.g., Humphreys et al., 2004; Jap, 1999; Schmidt et al., 2007). Results from the empirical studies on the buyer's relationship-specific investments (Jap, 1999; Palmatier, Dant et al., 2007) show that higher level of availability of the buyer's resources is likely to lead to better relationship performance for the seller. In addition, trust, inter-firm communication and coordination are important for obtaining this relationship performance. However, salesperson's activities that may influence the availability of the buyer's resources are not specifically addressed in these studies.

Identifying salesperson's activities that may influence the availability of the buyer's

resources is important. Researchers suggest that research is needed for exploring the role of the sales force in co-creating value with customers (Avlonitis & Panagopoulos, 2010). Schneider further argues that research is needed to identify the attributes of the people who create a service climate for value co-creation and what these people do to create the service climate and get customer involved in the value co-creation (cf. Ostrom et al., 2010). Salesperson's relationship focus, assessed by the intensity levels of a set of the salesperson's activities relevant to obtaining the availability of the buyer's resources, is the attribute this study proposes to investigate.

The review of the sales literature and other relevant literatures (e.g., key account management and relationship literature) shows that there isn't an existing salesperson's construct in the literature that specifically relates to the availability of the buyer's resources. However, the review suggests that six salesperson's activities are relevant to gaining the availability of the buyer's resources and the relationship performance for the seller. The six activities are learning about the seller's resources, learning about the buyer, customer contact, service, selling and coordination. Both learning activities develop the expertise for developing the buyer's trust, engaging the buyer in value co-creation related dialogue, and identifying co-creation opportunities. Trust influences the buyer's willingness to allocate resources to the relationship. Regular customer contact and service are also important means for developing a buyer's trust. Customer contact and service also provides the opportunity for co-creation related dialogue with the customer, which may generate innovative ideas for co-creation. Selling engages customer in co-creation related dialogue and communicates effectively with the customer. Coordination pulls relevant actors and other resources together for co-creation, and facilitates the communication between the relevant actors. Measures of these activities are not readily available from the literature and the domains of these activity constructs need to be further clarified.

Therefore, measures need to be developed for two constructs proposed in the current study: the availability of a buyer's resources and the level of a salesperson's relationship focus. In addition, while the impact of the availability of the buyer's resources on the relationship performance for the seller is clear from the literature, the impact of the salesperson's relationship focus level on the relationship performance for the seller through the

availability of the buyer's resources needs to be examined. The research questions of the current research are thus stated as follows:

The three research questions are as follows:

- 1) How to measure the availability of a buyer's resources?
- 2) How to measure the level of a salesperson's relationship focus?
- 3) How does the level of a salesperson's relationship focus influence the availability of the buyer's resources and the relationship performance for the seller?

The research approach and qualitative method are discussed in the next chapter.

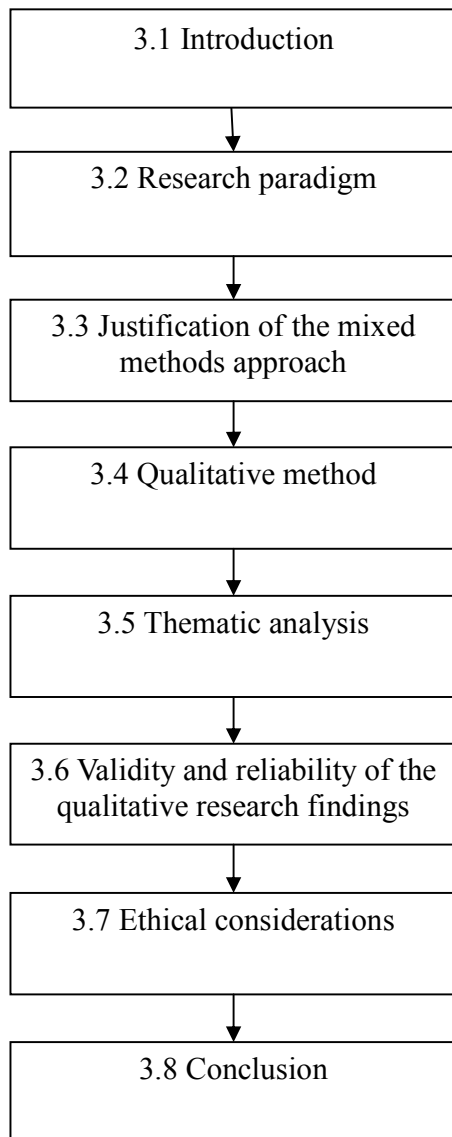
3 Research approach and qualitative method

3.1 Introduction

As discussed in the previous chapter, the value co-creation opportunities lie in the synergistic combination of two firms' resources. While evidence shows that buyers are providing inputs for relationship value creation for both firms, the construct of the availability of the buyer's resources is non-existent. Thus measures need to be developed to assess the construct. In addition, this study proposes that salesperson's relationship focus can influence the relationship performance for the seller both directly and indirectly through affecting the availability of the buyer's resources. Relationship focus is an attribute of a salesperson that directs the salesperson's relationship activities for gaining access to the buyer's resources and making good use of the buyer's resources for realising the potential relationship value for the seller. It is a latent construct and needs to be assessed through assessing the intensity levels of the relevant salesperson's activities. Six salesperson's relationship activities are identified from the literature as relevant. However, measures need to be developed for measuring the intensity levels of these activities. In addition, the impact of the salesperson's relationship focus on the availability of the buyer's resources and the relationship performance for the seller needs to be examined.

This chapter discusses the paradigm and research methods used in the current research. The flow of the chapter is provided in Figure 3-1. After the introduction, this chapter discusses the research paradigm and the mixed methods approach. Then it concentrates on the discussion of the qualitative method used in the current research, including data collection method and steps, and sampling. Thematic analysis is then discussed, followed by the discussion on validity and reliability issues and ethical considerations. Finally, a conclusion is provided for the chapter.

Figure 3-1 Chapter outline



3.2 Justification of the paradigm used in the current research

A paradigm is an overall conceptual framework that guides the researcher's investigation of the theory (Sobh & Perry, 2006). The paradigms can be classified according to their ontology, epistemology and methodology (Guba & Lincoln, 1994). Ontology concerns about what the nature of reality is, epistemology asks what the relationship is between the researcher and that being researched, and methodology is about what the process of the research is (Creswell & Plano Clark, 2007).

There are four major research paradigms: positivism, realism, constructivism and critical theory (Sobh & Perry, 2006). Among these four paradigms, constructivism and critical theory suggest that "reality is perception" and "a subjective construction" (Sobh & Perry, 2006, pp. 1195-1196). Within these two paradigms, the findings of a person's perception cannot be generalised to another person's theory of reality. In contrast, both positivists and realists believe that there is a real objective world out there (Perry, 1998). While the positivists believe that the external world is apprehensible, realists believe that the real world can only be apprehended imperfectly and probabilistically (Guba & Lincoln, 2005). Positivism relies on quantitative methods and concerns with testing of theory (Sobh & Perry, 2006), whereas realism allows for the use of both the qualitative and quantitative methods (Guba & Lincoln, 1994; Healy & Perry, 2000).

Realists claim that social phenomena exist both in people's minds and in the objective world, and that there are "some lawful reasonably stable relationships" to be found between people's minds and the objective world (Huberman & Miles, 1994, p. 429). The external real world is independent of any one individual's perceptions about the world (Healy & Perry, 2000). In realism research, participants' perceptions are being studied "because they provide a window on to a reality beyond those perceptions" (Healy & Perry, 2000, p. 120). Realism paradigm is appropriate for the type of research that "is searching, albeit imperfectly, towards an understanding of the common reality of an economic system in which many people operate inter-dependently" (Perry, Riege, & Brown, 1999, p. 18).

As the current research's interests are not in individual sales professionals' personal perceptions, neither constructivism nor critical theory is appropriate for the current research. Research has shown that salespeople's influence on relationship value co-creation is an external reality. However, what and how salespeople do may influence the access and use of buyer's resources and thus the relationship performance for the seller needs to be further clarified to be able to measure both the availability of the buyer's resources from a salesperson's perspective and the salesperson's relevant activities. The individual sales professionals' views on these issues need to be gathered. Their views open a window for understanding the issue, which is an external reality. The findings should be independent of any one salesperson even though they are born out of salespeople's minds. Thus, realism paradigm is appropriate for the current study.

According to realism paradigm, findings are probably true (Guba & Lincoln, 1994) and triangulation of the perceptions collected is required (Sobh & Perry, 2006). Realism researchers rely on multiple perceptions about a single reality, and different perceptions are helpful for understanding the complexities of the reality (Healy & Perry, 2000). Different triangulation sources may provide different perceptions of a reality. In the current study, different interviews were compared to identify the common pattern, and both qualitative and quantitative research were done for obtaining a better understanding of salespeople's influence on making good use of both the seller's and the buyer's resources for co-creation and realising the potential relationship value for the seller.

Both qualitative and quantitative methods can be used within the realism paradigm. For realism researchers, methodological emphasis is placed on "critical multiplism" as a way of falsifying hypotheses rather than verifying hypotheses (Guba & Lincoln, 1994, p. 110). They try to do inquiry in more natural settings, collect more situational information, reintroduce discovery as an element in inquiry, and solicit "emic" or insider viewing points to assist in determining the meanings and purposes that people ascribe to their actions (Guba & Lincoln, 1994). On the other hand, when complex phenomena have already been sufficiently understood to warrant an attempt at generalisation to a population, quantitative research method, especially structural equation modelling, may be used. Healy and Perry (2000, p. 120) claim that "structural equation modelling may be the only appropriate survey

analysis technique for a realism researcher to use”.

This research uses both qualitative and quantitative research methods. In-depth interviews obtain interviewees’ perceptions on why different types of buyer’s resources are valuable for the seller from a salesperson’s perspective and what salespeople’s activities influence the availability of the buyer’s resources and the relationship performance for the seller. The settings of in-depth interview allow for gaining insights of what the subject thinks or believes about the topic, collecting unrestricted and detailed comments that can help better understand the subject’s thoughts and the reasons why they exist, having the respondent communicate as much detail as possible about his/her knowledge and behaviour towards the research problem (Hair, Lukas, Miller, Bush, & Ortinau, 2008). The domains of the key constructs in the research model are clarified and the measures are generated. The research model is further developed for quantitative testing. Then quantitative research validates the constructs and tests the relationships between the three key constructs in the research model.

In addition, the position of realism shows a relative emphasis, and the research may start from some deduction based on prior theory (Perry, 1998). It is argued that “pure induction might prevent the researcher from benefiting from existing theory, just as pure deduction might prevent the development of new and useful theory” (Perry, 1998, p. 789). Prior theory in fact provides a focus for data collection in form of research issues and should be used for designing the initial interview protocol (Perry, 1998).

In the current research, existing theories determine the relationships between the three key constructs in the research model: the salesperson’s relationship focus, the availability of the buyer’s resources and the relationship performance for the seller. The literature review also identifies six salespeople’s activities that are relevant to obtaining good availability of buyer’s resources. The qualitative stage of the research validates the relevance of these activities and further clarifies the domains of the salespeople’s activities that are relevant to obtaining high availability of buyer’s resources as well as the domain of the availability of the buyer’s resources. Items are generated from both the literature and the interviews for measuring the activities and the availability of the buyer’s resources. The salesperson’s

relationship focus, a latent construct, is then assessed based on the measures of the relevant activities because these activities are directed by the salesperson's relationship focus. The intensity levels of these activities are reflective dimensions of the salesperson's relationship focus. The qualitative research also offers chance to explore whether there are any other salespeople's activities that may be relevant to the availability of the buyer's resources.

In summary, realism paradigm is appropriate for the current research because it accepts that there is an external real world of salespeople out there for exploring their role in co-creation with customers. It recognises that this external real world, even though consists of abstract things that are independent of any one individual salesperson's perceptions, can be understood, although imperfectly, through understanding individual salespeople's perceptions of that real world. It allows for the use of both qualitative and quantitative research methods, and the incorporation of prior theory to the research. Qualitative methods validate the relevance of the salespeople's activities identified from literature review and offer chances to explore whether there are any additional activities that are relevant to the availability of the buyer's resources. Qualitative methods also clarify the domains of the availability of the buyer's resources and the six salesperson's relationship activities and generate items for measuring the constructs. The salesperson's relationship focus, a latent construct, is then assessed based on the assessment of the intensity of the six activities. Qualitative method and quantitative method are thus used sequentially in this study.

3.3 Mixed methods

As discussed above, both qualitative and quantitative methods are used in the current study, thus the current research design is a mixed methods design (Creswell & Plano Clark, 2007; Tashakkori & Teddlie, 2003). There are many different definitions of mixed methods, and Johnson, Onwuegbuzie and Turner's (2007) definition is adopted in the current study. After reviewing the definitions in the literature, they define mixed methods research as "the type of research in which a researcher or team of researchers combines elements of qualitative and quantitative research approaches (e.g., use of qualitative and quantitative viewpoints, data collection, analysis, inference techniques) for the broad purposes of breadth and depth of understanding and corroboration" (Johnson et al., 2007, p. 123).

Researchers argue that the selection of a particular type of mixed methods design needs to be carefully considered to gain the most benefit from the mixed methods (Creswell, Plano Clark, Gutmann, & Hanson, 2003). Quantitative research places heavy emphasis on using formalised, standard questions and pre-determined response options in questionnaires administered to large numbers of respondents. It is used to make accurate predictions about relationships, gain meaningful insights into these relationships, validate the existing relationships, and test hypotheses. On the other hand, qualitative research emphasises on using a relatively open-ended approach to research process. It is used to discover and identify new ideas, thoughts, feelings, preliminary insights on and understanding of, ideas and objects (Hair et al., 2008). Major advantages of qualitative methods include richness of the data and preliminary insights into building models and scale development, and major disadvantages of qualitative methods include lack of generalisability and lack of reliability and validity (Hair et al., 2008). Bryman (2006) argues that the use of mixed methods may lead to multiplied unanticipated outcomes as the open-ended approach to research process in qualitative research frequently produces surprises, changes of direction and new insights, and the imaginative application of techniques in quantitative research can result in new understandings. Greene, Caracelli and Graham (1989) note that the use of mixed methods can increase the validity of constructs and inquiry results, the interpretability, meaningfulness of the inquiry results, the breadth and depth of inquiry results and interpretations, or the scope of inquiry.

The current study adopts Leech and Onwuegbuzie's (2009) framework for classifying mixed methods designs for its simplicity. The selection of a mixed methods design may be difficult as the variety and range of typologies of mix methods design has reached the point that is too refined (Bryman, 2006). Leech and Onwuegbuzie (2009) argue that the mixed methods designs can be represented as a function of three dimensions: (a) level of mixing (partially mixed versus fully mixed); (b) time orientation, i.e., whether the quantitative and qualitative phases of the study occur at approximately the same point in time (i.e. concurrent) or whether these two components occur one after the other (i.e. sequential); and (c) emphasis of approaches, i.e., whether both qualitative and quantitative phases of the study have approximately equal emphasis or whether one component has significantly higher priority than does the other phase (Leech & Onwuegbuzie, 2009, p. 268). Fully

mixed methods design involves “using both qualitative and quantitative research within one or more of the following or across the following four components in a single research study: (a) the research objective; (b) type of data and operations; (c) type of analysis; and (d) type of inference” (Leech & Onwuegbuzie, 2009, p. 267).

As discussed in chapter 2, this study needs to develop the measures for two constructs: the availability of the buyer’s resources and the salesperson’s relationship focus, which is a latent construct reflected in the intensity levels of the salesperson’s activities relevant to gaining the availability of the buyer’s resources. The domains of the relevant constructs need to be clarified and the relevance of the salespeople’s activities identified from the literature needs to be validated. Therefore, qualitative method is needed first for construct domain clarification and measurement item generation. Qualitative research is also needed for exploring whether there are any other salespeople’s activities that are relevant to the availability of the buyer’s resources. Then the validity of the constructs in the research model and the relationships between them need to be examined. This requires the use of quantitative method. Therefore, according to Leech and Onwuegbuzie’s (2009) design typology, the current research uses a fully mixed sequential equal status design. The current study is fully mixed as both the qualitative and quantitative research share the same research objective to identify salesperson’s influence on relationship performance through gaining availability of buyer’s resources, and the inferences are made based on both qualitative and quantitative research results. The qualitative research is carried out first, followed by the quantitative research. Qualitative and quantitative phases of the research are equally important for understanding the research problem.

Other schemes for mixed methods designs also suggest that the current research design is appropriate. According to Creswell et al. (2003), the current research design uses “sequential exploratory” design, which is often used when a researcher develops and tests an instrument. Harrison and Reilly (2011) find that marketing researchers use this type of research design to identify the types of questions that might be asked, determine the items/variables/scales for instrument design, and generate a typology or classification. Greene et al. (1989) would term the current research design as “development”, which “seeks to use the results from one method to help develop or inform the other method,

where development is broadly construed to include sampling and implementation, as well as measurement decisions” (Greene et al., 1989, p. 259). And Bryman (2006, p.106)) would term the design specifically as “instrument development”, which “refers to contexts in which qualitative research is employed to develop questionnaire and scale items”. Creswell et al. (2003) argue that, for sequential exploratory research, the qualitative phase of research should have the priority over the quantitative phase. However, the instrument development process of the current study uses both the findings of the qualitative research and the literature, and thus the qualitative research is not given the dominant status in the current study.

3.4 Qualitative method

Qualitative research is needed for checking what and how a salesperson’s activities influences the level of the availability of the buyer’s resources and the relationship performance for the seller so that the domains of the salesperson’s activities can be clarified. This in turn enables the examination of the impact of the salesperson’s relationship focus on the availability of the buyer’s resources and the relationship performance for the seller. The research method of in-depth interview is described first. Then the details of how participants are located, sampling, recording and storing data are provided.

In-depth interview method is chosen as the data collection method for this qualitative phase of study. Researchers note that in-depth interviews can be used to discover preliminary insights of what the subject thinks or believes about the research topic, to obtain unrestricted and detailed comments that include feelings, beliefs, or opinions that can help better understand the different elements of the subject’s thoughts and the reasons why they exist, to have the respondent communicate as much detail as possible about his or her knowledge and behaviour towards the research topic (Hair et al., 2008). The key advantages of in-depth interview include flexibility to collect data on activities and behaviour patterns, attitudes, motivations and feelings, large amount of detailed data possible, and the possibility to probe the respondent further; and the key disadvantages include potential interviewer errors, cost and time (Hair et al., 2008).

Despite these disadvantages of the in-depth interview, it is still a better option for the

current study than focus groups and observation. Focus groups are good for idea generation and brain storming (McDaniel & Gates, 2010). The key advantages of focus groups over in-depth interviews are that focus groups stimulate new ideas, thoughts and feelings about a topic and elicit wide ranging responses (Hair et al., 2008). Compared to focus groups, in-depth interviews give more personalised attention to the respondent and can gear the interview towards getting underlying information (McDaniel & Gates, 2010), which is important for the current study. In addition, focus groups require the participants to be assembled at one location at a specific time, which is difficult to arrange as sales professionals tend to be very busy. Especially for the service industry, salespeople or consultants charge on hourly basis, they are less likely to be willing to waste their time on the road for attending a focus group study on a particular date and time. Even though online focus groups can avoid the problem of location, having all the participants to go online at the same time is difficult to arrange. Observation has benefit of accuracy of recording events or actual behaviour (Hair et al., 2008). However it is considered as inappropriate as the intensity level of a salesperson's activity involves the devotion of personal attention or effort, which is noted as not entirely observable (Yeo & Neal, 2004).

The interviews are semi-structured and a set of open-ended questions are prepared for the interview. Open-ended questions allow the participants to express freely what they think about the issues mentioned. The semi-structured format of the questions makes sure that the information relevant to the research questions can be obtained from the interviews and the responses can be compared between participants. The interview protocol is shown in Table 3-1.

The data collection steps are provided in Table 3-2. As shown in Table 3-2, the participants were found mainly through the network contacts of the marketing and advertising department of AUT Business and Law School, and two participants were obtained through the earlier participants' referrals. All the participants were contacted through email, and received the information sheet and consent form before the places and the timing of the interviews were decided by the participants. They all signed the consent form before the interviews were conducted. All the interviews were audio recorded and field notes were taken and used for generating codes later in data analysis process. The first two interviews

were transcribed by the researcher, and the later interviews were transcribed by a professional transcriber. The data were stored as word processed text files and analysed in Nvivo 8, which is a qualitative data analysis computer software package produced by QSR International.

Table 3-1 Interview protocol by research question

Research question	Topics for discussion or probes
How to measure the availability of the buyer's resources?	<ul style="list-style-type: none"> • Human resources • Intangible structural resources (organisational, renewal and developmental, relational) • Tangible resources (physical resources and financial resources) • Relationship specific investments or adaptations • Joint actions
How to measure a salesperson's relationship focus?	<ul style="list-style-type: none"> • Learning about the seller's resources • Learning about the buyer • Customer contact • Service • Selling • Coordination
How does the level of a salesperson's relationship focus influence the availability of the buyer's resources and the relationship performance for the seller?	<ul style="list-style-type: none"> • Plans for growing the business, or • Reasons that the business of the relationship would grow

Table 3-2 Qualitative data collection steps

Step	Data collection activity	Description
1	Finding participants to be studied	Through personal and departmental network contacts, and participants' personal referral
2	Sampling	Purposeful sample consisting of sales managers, or small business owners, or key account sales representatives who are experienced in sales
3	Obtaining participants' consent	Participants read the information sheet and signed the consent form
4	Collecting data	Through interview
5	Recording information	Audio recording, and interview notes
6	Storing data	Data transcribed, stored as word processed text files by interview, and imported into Nvivo 8 for analysis

3.4.1 Sampling

Purposeful sampling is used for participant selection. Purposeful sampling is “a strategy in which particular settings, persons, or activities are selected deliberately in order to provide information that can’t be gotten as well from other choices” (Maxwell, 2005, p. 88). The main criterion for sample selection in the current study is that the person should be in main charge of looking after at least one key account of the company he/she serves. This ensures that the sample is knowledgeable about what salespeople do to help their company to obtain more benefit out of a relationship and how the customers contribute to this value creation, which is the focus of the current study.

In addition, maximum variation (heterogeneity) sampling strategy is selected in the current study. The strategy ensures that “the conclusions adequately represent the entire range of variation, rather than only the typical members or some ‘average’ subset of this range” (Maxwell, 2005, p. 89). The logic behind this sampling strategy is that the research interest is in the common patterns that emerge from great variation and is to capture “the core experiences and central, shared dimensions of a setting or phenomenon” (Patton, 2002, pp. 234-235). It is also recognised that there is a trade-off between this approach and selecting a more homogeneous sample: the research will “have less data about any particular kind of case, settings, or individual within the study, and will not be able to say as much in depth about typical instances” (Maxwell, 2005, pp. 89-90).

Trying to capture adequate heterogeneity in sampling is appropriate in the current research. It is very hard to obtain a big sample frame in any one industry in New Zealand. However, a big sample frame is necessary at the later quantitative phase of the current research. The problem is more apparent under current recession when firms are less likely to participate in a survey. Lower response rate means a bigger sample frame is needed in the survey. Therefore, to be representative of the population in the final survey, the participants for the interview need to be selected from a range of different industries, and both manufacturing and service industries are included in the sample selection.

In addition, the majority of the companies in New Zealand are small, with less than 10

employees. So the sample needs to cover small, medium and large firms. As sales experience would influence the role salespeople can play in realising relationship value for the seller, sample also covers salespeople with both less and more sales experiences. In addition, both male and female are included in the sample.

The number of participants for this interview research is determined by the analysis of the interviews in terms of how quickly it reached “the point of redundancy” (Lincoln & Guba, 1985, p. 202). Lincoln and Guba (1985) suggest that for purposeful sampling, the size of the sample should be determined by informational considerations and information redundancy is the primary criterion for terminating the sampling, that is, no new information is forthcoming from new sampled units.

3.5 Thematic analysis

Thematic analysis is used for analysing the interview data. “A theme is a pattern found in the information that at minimum describes and organises the possible observations and at maximum interprets aspects of the phenomenon” (Boyatzis, 1998, p. 4), and it can be directly observable or at the latent level. Thematic analysis is a process for encoding qualitative information (Boyatzis, 1998). Specific codes need to be created for the encoding process.

A combination of deductive and inductive approaches is adopted in the coding development process in the current research. Boyatzis (1998) notes that the approaches to the development of a thematic code can be viewed as a continuum from theory-driven (i.e., deductive) to data-driven (i.e., inductive). Miles and Huberman (1994) prefer creating a provisional “start list” of codes prior to field work, which means starting from theory-driven approach (i.e., deductive). They further suggest that the list may come from the conceptual framework, research questions, hypotheses, problem areas, and the key variables of the research. They argue that creating a start list prior to field work is helpful as this makes sure that the analyst will tie research questions or conceptual interests directly to the data. They further suggest that researchers can create a general accounting scheme for codes that is not content-specific but is able to direct the researcher to the general domains in which codes will be inductively developed, and codes should be developed in a way that

has some conceptual or structural order.

In the current research, the key research questions and the key buyer's resources and salesperson's activities identified in the literature review chapter are used to generate the start list of codes for the encoding process. This makes sure that the data analysis process is tied to the research purpose. In the meantime, new sub-codes are allowed to be generated under the key themes that are related to the research questions.

The coding processes could be ended when the codes are saturated, and regularities emerge. Miles and Huberman (1994, p. 62) suggest that coding and recoding are over "when all the incidents can be readily classified, categories are 'saturated', and sufficient numbers of 'regularities' emerge". In Nvivo 8, when no new codes are generated for three interviews, the codes are viewed as saturated.

3.6 Validity and reliability of the qualitative research findings

Validity and reliability are congruent in qualitative research (Golafshani, 2003). Researchers point out that validity in qualitative study can be referred to as credibility (paralleling internal validity) and transferability (paralleling external validity) (Guba & Lincoln, 1994; Lincoln & Guba, 1985) and reliability as dependability (Guba & Lincoln, 1994; Lincoln & Guba, 1985) or consistency (Healy & Perry, 2000). Flint, Woodruff and Gardial (2002, p. 106) define dependability as the "extent to which the findings are unique to time and place; stability or consistency of explanations".

To make sure that the study is credible and transferable, two major validity threats are addressed: researcher bias and interviewee reactivity or reflexivity, i.e., "what the informant says is always influenced by the interviewer and the interview situation" (Maxwell, 2005, p. 109). To minimise researcher bias in interpretation, "respondent validation" (Maxwell, 2005) or "member checking" (Creswell & Plano Clark, 2007; Lincoln & Guba, 1985, 1986) was used in the current study. The interview transcripts were emailed to the participants for their confirmation before the data were analysed. In addition, the measurement items generated at the end of the qualitative phase of the study were sent to the participants for their assessments of the relevance of the items, and the questionnaire drafts were sent to the

participants for their comments before the questionnaire was finalised.

To minimise interviewee reactivity or reflexivity, triangulation was used as suggested in the literature (Lincoln & Guba, 1985, 1986; Maxwell, 2005). Patton (2002, p. 556) suggests that there are four kinds of triangulation can contribute to verification and validation of qualitative analysis: methods triangulation, triangulation of sources, analyst triangulation and theory/perspective triangulation. Methods triangulation checks out the consistency of findings generated by different data collection methods. Theory triangulation uses multiple theories to interpret data. Different streams of sales research results were brought in to validate the qualitative findings and interpret the data, and quantitative method was used to further validate the findings obtained from the qualitative data analysis. This triangulation process made sure that the results are transferrable.

The transferability of the research findings was also enhanced through the theoretical sampling process, which maximises the differences among participates. Information was collected from sales professionals from a diverse range of background, e.g., in different industries, at different management level in the company, in different sizes of the companies, and with different lengths of sales experience. The results from different interviewees were cross-checked to make sure that the findings are transferrable.

To address dependability, participants were asked to reflect on what they do and how they do for looking after different customer relationships. Results showed consistency regardless of the customer relationships discussed.

3.7 Ethical considerations

Ethical issues were considered in this research throughout the whole the research process. The university ethics committee requires researchers to obtain ethical approval before the commence of the research when the research involves human participants. All the key principles were carefully addressed in the design and practice of the current study, including informed and voluntary consent, respect for rights of privacy and confidentiality, minimisation of risk, truthfulness, social and cultural sensitivity including the commitment to the three principles of the Treaty of Waitangi – partnership, participation and protection,

research adequacy and avoidance of conflict of interest.

For the qualitative phase of the research, the participants were informed that their participation was entirely voluntary and they could withdraw from the interview at any time without being disadvantaged in any way. The participants were viewed as research partners, and were assured that the transcriptions of the interviews would be given to them for confirmation before data analysis. They were assured that their identities would be kept confidential with respect to research publication. If they had any concerns about the research, they could contact the executive secretary of the ethics committee and the supervisor of this research project. The interview questions were designed in a way that would protect participants from any discomfort or psychological harm. The questions were generic rather than personal or sensitive. In addition, some simple alternative questions were prepared in case the participants felt it difficult to answer any of the more complex questions and might feel any tension out of the questioning. All the participants read the information sheet, decided the time and place for the interview, and signed the consent form before they were interviewed. No participants had conflict of interests with the researcher of this study.

For the quantitative phase of the research, the respondents were sent a covering letter and an information sheet, both of which stressed that the information provided would be strictly confidential. The information sheet also outlined the purpose of the research, the research procedure, how people were selected for the study and that their participation was entirely voluntary. If they had any concerns, they were advised to either contact the project supervisor or the executive secretary of the ethics committee. They were also informed that the thesis would be available online once the project is completed so they could download the thesis and read it if they wish. A separate consent form was included in the survey package where the respondents gave their consent to the research. The survey questions were design in a way that was generic rather than personal or sensitive so they would not cause any harm to the respondents. Statistical requirements for establishing construct validity and testing the research model were taken into consideration in deciding the number of participants required for the survey.

The ethics applications for the qualitative and quantitative phases of this research were submitted to the university ethics committee for approval in May 2008 and May 2010 respectively. The approvals were obtained in the following month of the application. The approval ensured that participants in the research were not harmed or disadvantaged in anyway. The approval of the two ethics applications, numbered 08/113 and 10/113, are provided in Appendices 3.1 and 3.2.

3.8 Conclusion

This chapter provides the justification of the adoption of the realism paradigm and the use mixed methods for addressing the research questions of the current study. Because the availability of the buyer's resources is a newly proposed construct, measures need to be developed. In addition, what and how salesperson's activities influence this availability needs to be explored and the domains of the relevant activities need to be clarified to be able to assess them quantitatively. The measure development process requires the use of qualitative method. The construct validation process requires the use of quantitative method. In addition, the impact of the salesperson's relationship focus, a latent construct assessed through the assessment of the intensity levels of the relevant activities, on the availability of the buyer's resources and the relationship performance needs to be examined quantitatively.

The qualitative method is described in detail in terms of how data are collected and how the participants are selected, and how the data are analysed through thematic analysis. The validity and reliability issues for the qualitative phase of the study are discussed, and the ways to ensure the validity and reliability are clarified. Finally, ethical issues considered in the current research are provided.

In conclusion, the research approach is decided based on the research questions, and the research methods selected aim to collect relevant information to address the research questions. Qualitative method clarifies the domains of the relevant constructs and thus further develops the conceptual framework of the current research for quantitative testing. The development of the conceptual framework is discussed in the next chapter.

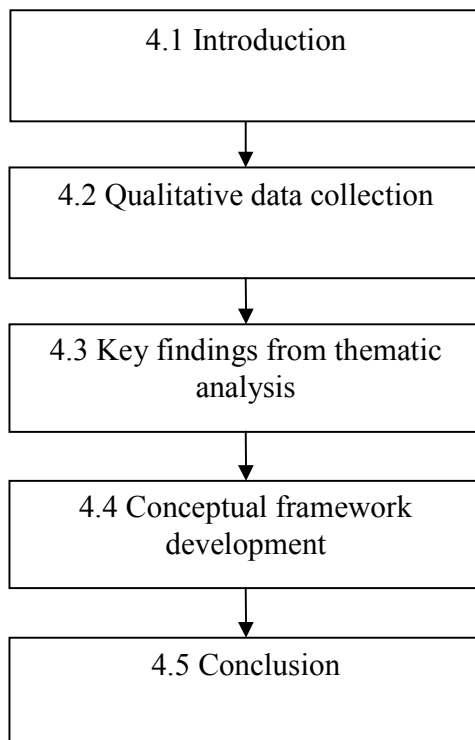
4 Developing the conceptual framework

4.1 Introduction

This chapter presents how the qualitative phase of this research is conducted. The purpose of the qualitative research is to further clarify the domain of the availability of the buyer's resources and the domains of the salesperson's relationship activities that are relevant to the availability of the buyer's resources so that the conceptual framework can be further developed and the salesperson's relationship focus can be assessed.

The chapter outline is provided in Figure 4-1. After introduction, the qualitative data collection is provided first, followed by the key findings from thematic analysis. Then conceptual framework development is presented. Finally a conclusion is provided for the chapter.

Figure 4-1 Chapter outline



4.2 Qualitative data collection

In this section, data collection and preparation is presented first. Then a sample description is provided. This is followed by interview questions and their relevance to the research questions. Finally coding method and data analysis process are discussed.

4.2.1 Data collection and preparation

Overall 14 interviews were conducted, and each lasted between 40 minutes and 1.5 hour. Each interviewee was contacted by phone and email. All were clearly informed about the purpose of the current research, and received the information sheet and consent form by email before the interview. Only one interviewee indicated no interest in receiving an executive summary of the current research. Three interviews were conducted at AUT University as requested by the interviewees, three at the cafe, and the rest at the interviewees' companies.

Apart from the first two interviews, which were transcribed by the researcher, all the remaining interviews were transcribed by a professional transcriber. The transcription process resulted in one hundred and ninety six pages of single-spaced data. Each transcription was checked against the original audio-tapes to ensure the wording and meaning had been accurately transcribed immediately after the transcript was received. The transcripts were then forwarded to each of the participants for verification as to the accuracy of the transcription. The interviews were then coded by the researcher. Constant comparison method (Glaser & Strauss, 1967) was adopted for determining how many interviews were needed. No new themes were identified for the last three interviews. This suggested that the data had reached theoretical saturation, thus no further interviews were conducted.

4.2.2 Sample description

All the 14 interviewees were selected on the basis of their familiarity with what salespeople do every day to help to realise the potential value of a business customer relationship, which is the focus of current research. All the interviewees are knowledgeable about this issue and are personally involved in looking after their company's key accounts. The detailed sample descriptions are provided in Table 4-1. The participants are listed according

to the order they have been interviewed.

Table 4-1 Sample description

Interviewee No.	Gender	Industry	Position in the company	Years of sales experience	Company employee number
1	Male	Commercial and corporate furniture supplier	General manager	10-20	<10
2	Female	Electronic measurement and control products and software producer	Forestry product manager in charge of domestic sales	6	60
3	Male	ICT system provider	Key account sales representative	10-20	>3000
4	Male	Safety products and services provider	Sales manager	10-20	51-100
5	Male	Telecom's dealer	Key account sales representative	2.5	200
6	Female	Foundry product and service provider	Marketing manager	2.5	<10
7	Male	Freight	National sales and marketing manager	10-20	>10000
8	Female	Recruitment and consulting	General manager	25	70
9	Female	Training	Owner	16	<10
10	Male	Digital electronic product and service provider	Owner	20+	<10
11	Female	Integrated marketing communication	Senior account manager	10-20	200
12	Male	Integrated advertising and communications	Director	20+	35
13	Male	Food manufacturing	General manager	14	160
14	Male	Digital media provider	Agency account manager	5	>1000

As shown in Table 4.1, the interviewees are from a range of different industries, including

recruitment and consulting, training, freight, telecommunication (both the provider and the dealer), safety product supplier, office furniture supplier, digital electronic product and service provider, food manufacturer, digital media provider, marketing communication company, and advertising and communications company. The participants hold different types of positions in their companies. The positions include front line key account sales representatives, marketing manager, product manager, general manager, national sales manager, company director, and business owner.

In terms of company size, four out of the 14 interviewees are from companies with less than 10 employees, and four from medium size of companies with 20 to 100 employees, and the rest six interviewees are from larger companies with more than 100 employees. Five interviewees are female and nine are male. Finally, half of the interviewees have 10 to 20 years' sales experience, and four have 2.5 to 6 years sales experience, and three have more than 20 years' experience. Thus, the sample can be viewed as "adequately represent the entire range of variation, rather than only the typical members or some 'average' subset of this range" (Maxwell, 2005, pp. 89-90).

4.2.3 Interview questions and their relevance to the research questions

Five categories of questions were prepared before the interviews. These four categories were (1) questions for general context, (2) questions on what buyer's resources are available for the seller to co-create value with the buyer, (3) questions on what salespeople do to help their firm realise more value from their firm's customer relationships, and (4) concluding question. The 2nd category of question was to clarify the domain of the availability of the buyer's resources and to develop measures for the construct. The 3rd category of question was to clarify the domains of the six salesperson's relationship activities identified from the literature, to explore whether there were any other important activities that were not identified, and to develop relevant measures. This category of question also helps to validate the relationship between the salesperson's activities, the availability of the buyer's resources and the relationship performance for the seller. The concluding question is suggested by Patton (2002). The categories of the questions asked in the interview and their relevant research questions, and the examples of questions are listed in Table 4-2.

Table 4-2 Categories of interview questions with examples

Categories	Relevant research question	Interview question examples
Category 1: General relationship context		In your industry, is it important to maintain a good customer relationship? Why? How would you describe the value of this customer for your company?
Category 2: What are the buyer's resources available to the seller for co-creating value with the buyer?	Research question 1: How to measure the availability of the buyer's resources?	Are there any of this customer's resources that are valuable for your company? What are they? Why are they valuable? (Provide examples) For those people that you're dealing with, within this particular customer's company, are they competent and agile? Is this valuable for your company? Why?
Category 3: What do salespeople do to help their firm to realise more value from their firm's customer relationships?	Research question 2: How to measure a salesperson's relationship focus? Research question 3: How does a salesperson's relationship focus influence the availability of the buyer's resources and the relationship performance for the seller?	What do salespeople do to help your company get more value out of customer relationships? Why are some salespeople more effective than others? What do salespeople do to develop the relationship with their customers? How do you coordinate the activities between your company and the customer's company? How do you predict the future financial performance of this customer relationship? Why do you think the business with this customer is going to grow? What do you plan to do to improve the outcome of this relationship for your company?
Category 5: Concluding question		What should I have asked you that I didn't think to ask?

The questions used in each interview as well as the wording of the questions changed depending on the interviewee's job position in his/her company as well as the effectiveness of the question in that particular interview. The order of the questions also varied depending on the relevance of the question at that particular moment of the interview. In the earlier

interviews, the respondents were asked to select the key account that was most valuable in their opinion and to talk about their value for the seller's company. It was then discovered that a particular relationship might have only some types of resources that were viewed as valuable and thus the later interviews did not ask respondents to choose a particular relationship when they talked about the resources available from customer relationships.

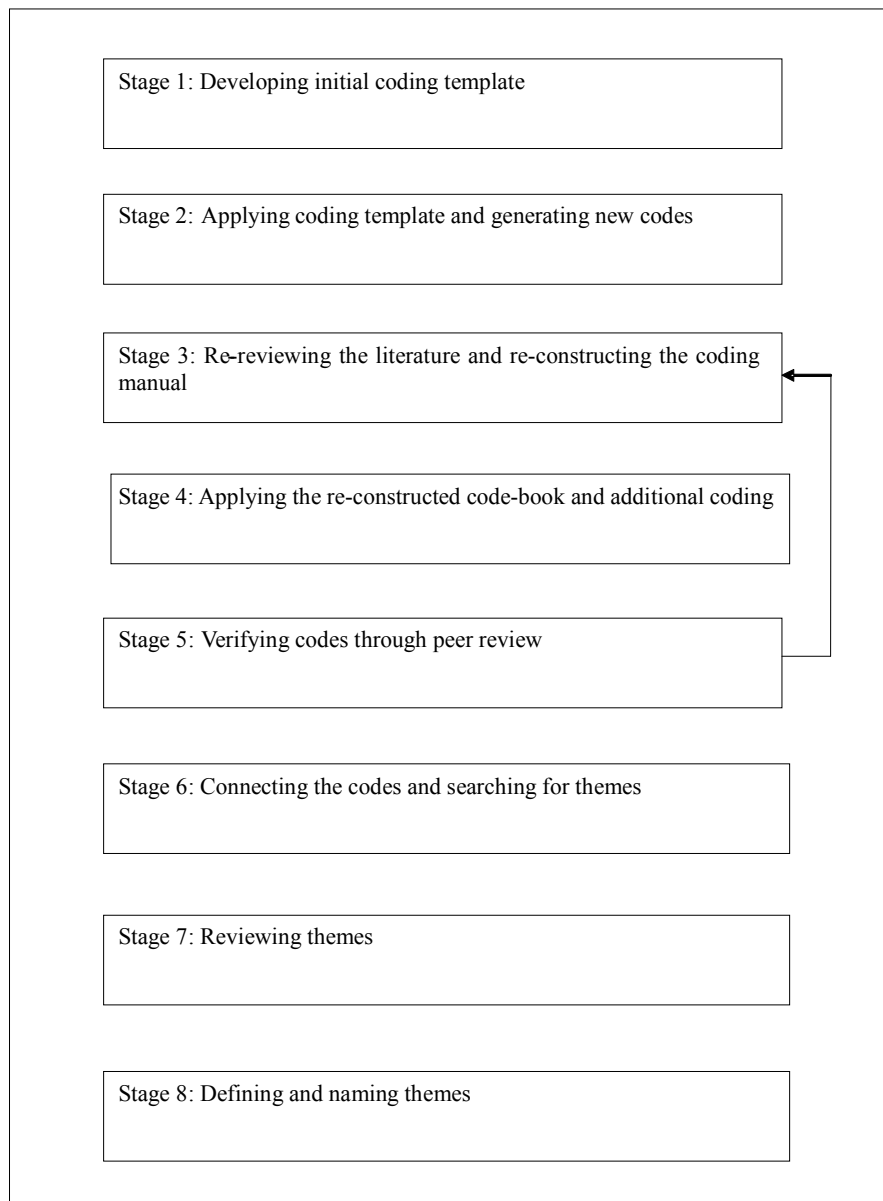
4.2.4 Coding method and data analysis process

Nvivo 8 was used for recording the codes. The coding process used a combination of deductive and inductive approaches. The existing literature on buyer's resources and salesperson's activities were used to create the "conceptual codes/sub-codes" (Miles & Huberman, 1994) in the initial codebook. In addition, as the research questions of the current research focus on the relationships between salesperson's activities, and buyer's resources and their relationships with relationship performance, "relationship codes" (Miles & Huberman, 1994) were created for capturing these relationships. New themes identified inductively during the coding process were then added to the existing coding structure. The data analysis process generally follows Braun and Clarke's (2006) suggestions on thematic analysis. The stages of coding and data analysis are presented in Figure 4.2.

Although presented as a linear, stage-by-stage procedure, the actual research analysis process was iterative. In addition, the data collection and data analysis were undertaken concurrently. The interview notes were examined with the recordings immediately after each interview. The issues that were salient were recorded. Then the recordings were sent away for transcribing. Once the transcript was received, it was checked against the audio recording for accuracy before it was examined line-by-line in the coding process.

It is noted that the generation of codes is associated with the identification of a feature of the data that are of interest to the researcher (Braun & Clarke, 2006). Boyatzis (1998, p. 63) defines a code as "the most basic segment, or element, of the raw data or information that can be assessed in a meaningful way regarding the phenomenon". By using the predefined codes, the first few interviews were coded and new codes were generated. Then, relevant sales literature was re-reviewed and the coding manual was re-constructed.

Figure 4-2 Diagrammatic representation of the stages undertaken to code the data



The re-constructed coding template was then used in the later coding process. The secondary supervisor of the current study was then invited to code one interview. The results were compared with the researcher's coding, and the differences were examined. The relevant literature was consulted for reaching the agreement in the coding. Later interviews were then coded accordingly.

The next stage is searching for themes, which involves the thinking of the relationship

between codes, between themes, and between different level of themes (Braun & Clarke, 2006). Braun and Clarke (2006) note that a theme needs to capture something important in relation to the research question, and represent a certain level of patterned response or meaning within the data set. Recurrent and unifying ideas emerged from the data regarding the research question will qualify for a theme (Bradley, Curry, & Devers, 2007). It is noted that themes typically evolve not only from the conceptual codes/sub-codes but also from the relationship codes (Bradley et al., 2007). The criteria used for qualifying a theme in the current study were based on whether the theme was supported by the relevant literature, or appeared in at least three interviews.

Based on the literature, some higher order themes and conceptual codes were prepared before the coding was conducted, such as salesperson's coordination. Thus, the relevant sub-codes were placed as "sub-tree nodes" under these identified themes and conceptual codes, which were called "tree nodes" in Nvivo 8.

The next stage is reviewing themes. It is suggested that data within themes should cohere together meaningfully and data between themes should be distinguishable (Braun & Clarke, 2006). All the collated extracts for each major theme were reviewed and the sub-themes were identified or refined to meet the criteria of "internal homogeneity and external heterogeneity" (Braun & Clarke, 2006). The whole data set was then reviewed to check whether the major themes related well in terms of their relevance to the current research problem and distinguishable from each other. Some codes were generated at this review process, and the relevant literature was checked again to seek some support for the overall finding. This review process continued till it was felt that any further refinement would not add anything substantial. Finally, the major themes were defined based on the refinement results.

4.3 Key findings from thematic analysis

In this section, the findings for the three research questions are presented. The findings on the availability of the buyer's resources are discussed first for clarifying the domain of the construct so measurement items can be created based on the findings. Then the findings on the six salesperson's relationship activities are presented for clarifying how these activities

influence the availability of the buyer's resources. Then the findings on how a salesperson's relationship focus, reflected in relationship activities, influences relationship performance through the availability of the buyer's resources.

4.3.1 Availability of a buyer's resources

The interviews reveal that respondents do recognise that customers have resources that are useful for the seller to co-create value with the buyer, and different customers may contribute different types of resources for co-creation. The interviews find that useful buyer's resources contributed to relationship value co-creation may include: human, organisational, relational, financial, and physical resources. The conceptual codes for these resources and the relevant sub-codes are provided in Table 4-3, and the sample quotes are provided in Table 4-4.

Buyer's human resources refer to the information, knowledge or innovative ideas provided by the people from the buyer's firm that are useful for the seller to co-create value with the buyer, such as identifying the customer's needs or problems or identifying new business opportunities. The literature is not very clear about how a buyer's human resources, such as their employees' competence and intellectual agility (Baxter & Matear, 2004) is useful for the seller for co-creating value with the buyer, especially from a salesperson's perspective. The interviewees clarified that a buyer's human resources are valuable when the people from the buyer's firm provide innovative ideas for the seller's business development or product development, or supply information that is useful for identifying buyer's problems and solving the problems, or have knowledge or expertise that the salesperson can learn from. Therefore, three sub-codes are created under human resources: innovative ideas, useful information and knowledge or expertise.

The interviewees also mentioned that if buyer's employees are incapable of understanding the value or benefit of the salesperson's offering for the buyer firm, or unable to articulate what their organisation's needs are, it is very hard for the salesperson to persuade the buyer to accept the offer or to provide a good solution for the buyer. This suggests that a lot of attention or effort will be needed to understand the buyer's business and to communicate with the buyer in a way that is easy to understand.

Table 4-3 Buyer's resources available for the seller

Conceptual codes	Definitions of the codes	Sub-codes	Definitions of the sub-codes
Human resources	Information, knowledge or innovative ideas available from a buyer's employees that are useful for the seller to co-create value with the buyer	Innovative ideas	Innovative ideas provided by buyer's employees that are useful for value co-creation
		Useful information	Information provided by buyer's employees that are useful for identifying buyer's needs or addressing their needs
		Knowledge or expertise	Knowledge or expertise of buyer's employees that are useful for the salesperson to improve his/her knowledge in the field
Organisational resources	Information or data available from a buyer's organisation that is useful for the seller to co-create value with the buyer	Market information	Market information that is available from the buyer for the seller to improve its offering, or to forecast sales and market demand
		Customer database	Buyer's customer database that can be used for exploiting business opportunities in the relationship
		Developmental plans	Buyer's developmental plans that will lead to further business opportunities for the seller
Relational resources	Information or knowledge available from a buyer's relationships with other third parties that is useful for the seller to co-create value with the buyer	Useful information	Useful information available from the buyer's relationships with others that can be used for solution creation for the buyer
		Knowledge	Useful information or knowledge available from buyer's relationship partners that can improve the salesperson's knowledge in the field
Financial resources	Money available from a buyer that is useful for maintaining or developing the relationship	Pay the bill	Money available to make the payment of the buyer's purchases from the seller
		Repeat business	Money available to make repeat purchases from the seller
Physical resources	Physical facilities or materials available from a buyer that are useful for the seller to co-create value with the buyer		

Table 4-4 Sample quotes for buyer's resources available to the seller*

Conceptual codes	Sub-codes	Sample quotes
Human resources	Innovative ideas	I've had my business for 15 years and I'd say my customers have influenced what I do radically because every time you work with an organisation, and especially when you do the follow-up process of saying 'this is what we're going to do next to make sure that your people keep doing what they're supposed to do,' people will suggest something. They'll say 'oh, it would be really useful if we can have something online to help us or it would be useful if you had a web search.' – Training company
	Useful information	Because the more competent the person that the salesperson's dealing with, the more information they gain and the more information they gain the more easier it is to supply a product or service that fits the need of the customer. But it's difficult to do that if the people they're engaging with don't have sufficient competence to understand their own organisation's needs. So it's essential that the people in the customer organisation...or it's helpful to the relationship working, that they are competent, that they are intellectually able to assess different alternatives. Because sometimes they'll just miss ideas...otherwise they don't...without having fully understood what somebody is suggesting. – Training company
	Knowledge or expertise	As far as further resources within the company, there is benefit I guess in partnering with a company like this [they] have a retail design team within their operation, there is benefits around partnering with those design teams and working towards developing products, certainly from a prototype point of view and perhaps providing a custom product for their application or their upcoming project that we can use and take and use in other projects. – Office furniture supplier
Organisation-al resources	Market information	I think their understanding of their market that we don't, like we don't internally have, due to the fact that we don't sell to the end user, we sell to them. We utilise their knowledge of that market. So when we want to make a new generation product, we get them to give us the research on what is required in the market that we sell to, for example. Hm, they also have a lot of processes to determine quality of product, like kind of statistical way to determine how good a product is, we utilise that in house, we ask them for the help as well. – Electronic measurement and control products and software provider

Table 4-4 Sample quotes for buyer's resources available to the seller (continued)

Conceptual codes	Sub-codes	Sample quotes
Organisational resources	Customer database	...we use every tool that we have at our disposal to leverage the value of our clients' businesses. So if a client has a huge database, we'll use that. ...Yeah, well take a travel business. Take a travel retailer...if they have a big database, we will help to mine it for them or with them. So we would be saying you've got 30,000 people on your database that are there because they've either bought product off you or they have considered buying product from you and then you can trend all of that. You can mine the database and find out who went to the Pacific Islands and at what time of the year, what the profile of that customer is, maybe even work out what motivates them and then go back and mine them. So, you know, we use every opportunity we can and every bit of information that our client has garnered, to try and forward their business. – Integrated advertising and communications company
	Renewal and development plansthe fact that you know what's happening in their...with the NPD, so if they're developing new products, that aren't even in existence, but you know that they're going to end up...that their company...if you find out that your client's company is going to invest \$3.5million on developing this new product then you know that if you try and get in with whoever's going to be working on that, that you could end up working on that too. – Integrated marketing communication company
Relational resources	Useful information	...if they're a multinational or if they've got affiliations with other companies in different cities or countries. And also their agencies, so they may be Auckland based but they may have a sister company in New York who uses a different agency altogether, who you can actually draw on their creative problem solving or strategies in the past. That's really beneficial. – Integrated marketing communication company
	Business knowledge	One of our affiliates in London was working with a telecommunications client and they were working on or planning for the future and all this sort of stuff. They then sent someone back to us to then do a presentation to all our clients about where telecommunications is moving to in the next 10 years and it's great for all our staff, cause we're like oh wow, this is cool, plus our clients, who are like, 'oh wow, this is cool too'. And potential telecommunications clients who go 'ok, well they've obviously got good network contacts and they might be able to help us and they're up with the trends' and...– Integrated marketing communication company

Table 4-4 Sample quotes for buyer's resources available to the seller (continued)

Conceptual codes	Sub-codes	Sample quotes
Financial resources	Pay the bill	I mean, let's take the Finance industry, which we've had a lot of experience in. There're 22 players in that industry that in the last two years have fallen over, no longer exist. So those that do, there are a number of stable players. Stability might be more important or will be more important than the players that are new on the block that might not last, that at the end of the day, can't pay their bills. – Integrated advertising and communications company
	Repeat business	The important thing about this particular client is they bring in repeat work. In our industry, it is very very hard to get repeat business out of the client. The type product we supply tends to be focused around a fit out for a company, which they might not change for 5 or 10 years. So have a company with a lot of different sites around the country, they are always upgrading, and therefore always spending money is very important for us. – Office furniture supplier
Physical resources	 the trust is built and what tends to happen is the retailer then let go of the category and lets the supplier manage it for them. Because you can have up to...I guess...17,000 lines in a supermarket in many, many categories and they are complex to manage in terms of return on investment for space and all those things. So good suppliers have geared themselves up to actually manage that for the retailer and take the problem away from them. – Food manufacturer

*Note: Buyer's brands and relationships with other third parties can also be used by the seller for establishing a broader network. However, this value is only appropriated by the seller (i.e., private benefit (Khanna, 1998)), thus is not included in the list.

Buyer's organisational resources refer to the information or data available from the buyer's organisation that is useful for the seller to co-create value with the buyer. The interview results show that a buyer's organisational resources may include the buyer's market information, customer database, and developmental plans. Thus, three sub-codes are created accordingly. The interviewees mentioned that buyer's market information may be useful for the seller to conduct market analysis and/or sales forecasting, and/or new product development. Buyer's customer database may be useful for identification of new business opportunities that are based on the understanding of the needs of the buyer's customers. Finally, buyer's developmental plans are viewed as useful/valuable by the salesperson when the plans are associated with future selling opportunities. For example, the marketing manager of the foundry product and service provider mentioned that the buyer's plan to build a new plant to improve their manufacturing capacity would lead to more sales for her. The general manager of the office furniture supplier stated that the buyer's constantly upgrading their working environment had brought him lots of sales and would still bring in more sales for him.

The interview results show that useful buyer's relational resources contributed to co-creation are associated with the information or knowledge from the buyer's relationships with other third parties that can be used for value co-creation in the relationship. Thus, two sub-codes are created: useful information and knowledge. This is consistent with the network theory, which suggests that relationships enable firms to access remote activities and resources of the parties in the network (Ford et al., 2006).

Buyer's financial resources refer to money available from a buyer that is useful for maintaining and developing the relationship. Interviewees mentioned that it is very important that the buyer is able to pay the bill and brings in repeat businesses. Two sub-codes are created accordingly.

Finally, buyer's physical resources are physical facilities or materials provided by a buyer that are useful for the seller to co-create value with the buyer. The types of physical resources valuable for the seller vary according to the industry. For example, the marketing manager from the foundry product and service provider said that a buyer's manufacturing

capacity is valuable for her to sell the raw material to the buyer. The general manager of the food manufacturer stated that a retailer's shelf space is a valuable resource for his salespeople when the retailer hands over the space to the salespeople (or the seller) for managing the sales of his company's product on that shelf space. The manager of the freight provider mentioned that if his salespeople could develop a customer relationship to a stage that the customer allows the salesperson to examine the customer's operational processes, the salesperson might be able to find ways to improve the productivity of the customer's warehouse operational process through the use of the freight company's software products.

4.3.2 Salesperson's relationship focus

The interview results show that all the six types of salespeople's activities identified from the literature (i.e., learning about the seller's resources, learning about the buyer, customer contact, service, selling and coordination) are relevant to obtaining the availability of the buyer's resources and the relationship performance for the seller. The definitions of the conceptual codes of the intensity levels of these six types of activities and the sub-codes are provided in Table 4-5 and discussed in detail next, and the sample quotes are provided in Table 4-6.

Table 4-5 Salesperson's relationship activities for gaining availability of a buyer's resources

Conceptual codes	Definitions of the conceptual codes	Sub-codes	Definitions of the sub-codes
Learning about seller's resources	The level of effort a salesperson devotes to improving knowledge about the seller's resources for co-creation	Products/services	Salesperson's learning about seller's products and services
		Competencies/resources	Salesperson's learning about seller's competencies and resources
		Developments	Salesperson's learning about the developments in the seller's business field
Learning about the buyer	The level of effort a salesperson devotes to improving knowledge about the buyer's business	Business	Salesperson's learning about buyer's business goals and objectives, long-term needs, strategies, etc.
		Value-in-use	Salesperson's learning about how value can be created in the type of business that the buyer is operating through the use of the seller's offerings
		Individuals	Salesperson's learning about how individuals work in the buyer's firm, their roles, and how they make decisions
Customer contact	The level of effort a salesperson devotes to maintaining the relationship with the customer through regular contacts	Business contact	Salesperson's regular contact with the buyer for keeping the relationship, understanding what is happening inside the buyer's organisation.
		Social contact	Salesperson's meeting with the customer outside of the office environment for maintaining the relationship, obtaining a better understanding of each other
		Multiple relationships	Salesperson establishes relationship with multiple individuals in the buyer's firm, especially the ones at the functional level

Table 4-5 Salesperson's relationship activities for gaining availability of a buyer's resources (continued)

Conceptual codes	Definitions of the conceptual codes	Sub-codes	Definitions of the sub-codes
Service	The level of effort a salesperson devotes to developing the relationship with the customer through service	Service or product support	Salesperson provides service or product support as the buyer requests
		Information supply	Salesperson supplies relevant information to the buyer
		Intra-firm relationship development	Salesperson develops relationships with people in other functional departments for serving the customer's needs
Service		Third party relationship development	Salesperson develops relationships with people in other third party companies for serving the customer's needs
Selling	The level of effort a salesperson devotes to engaging customer in co-creation related communication	Identifying opportunity	Salesperson identifies business opportunity through asking the right questions, careful observation, and discussion with the buyer
		Clarifying requirement	Salesperson clarifies the buyer's requirement through asking questions and having discussions with the buyer
		Identifying solution	Salesperson identifies the way the solution could be created through the help with others or identifies the solution for the seller
		Adaptive selling	Salesperson plans on how to approach on the selling situation, prepares the value propositions, and communicates with the customer in an easy to understand manner
Coordination	The level of effort a salesperson devotes to aligning relevant parties' activities that are interdependent for value co-creation	Obtaining resources	Salesperson obtains internal or external resources for serving the customer's needs, creating solutions for the customer
		Managing resources and cost	Salesperson manages the resources needed for serving the customer's need, making sure that the cost is under control

Table 4-5 Salesperson's relationship activities for gaining availability of a buyer's resources (continued)

Conceptual codes	Definitions of the conceptual codes	Sub-codes	Definitions of the sub-codes
Coordination		Planning on objectives	Salesperson plans on the objectives to be achieved by the two firms, and the activities to be carried out by the relevant actors
		Communicating objectives	Salesperson communicates the objectives with the customer and other relevant actors involved in serving the customer's needs
		Coordinating interdependent activities	Salesperson coordinates with relevant actors for solution creation, delivering offering to the customer, and after-sales support, solving problems as they arise

Table 4-6 Sample quotes for salesperson's relationship activities

Conceptual codes	Sub-codes	Sample quotes
Learning about the seller's resources	Products/services	So as they build...and really it comes from building confidence and competence in terms of their area of expertise, they tend to move up the scale and become much more solutions-focused. – Recruitment company
	Competencies/resources	I know that my leverage, my competitive advantage in the market is the television side of our business – Digital media provider
	Development	I...daily go on the National Business Review...to look at macro trends and what's happening particularly in my sector in technology and advertising media. – Digital media provider
Learning about the buyer's business	Business	I'd say understanding people's business is an absolute caveat in whatever business you're in, you know, if you're a service provider and don't understand the business that you're servicing, you don't hold on to the business. – Integrated advertising and communications company
	Value-in-use	...very good salespeople make sure that they follow up their sales. They go back..... if they're offering a certain benefit and let's say, in the case of this particular product, it's a reduction in the amount of diesel that the customer uses on the fleet; they will position an opportunity to go back two or three months later or whatever and do a post-sale test to see, well, was the benefit that the customer was buying, been actually realised and how much has it been realised. – ICT system provider
	Individuals	I think the most important thing that makes someone a good salesperson is psychology; it's actually understanding the other person. what that person faces in their job, what they're trying to achieve... - Integrated marketing and communication company
Customer contact	Business and social contacts	Well, you wouldn't last five minutes in this business if you weren't talking to your clients daily, you just wouldn't last. – Integrated advertising and communications company
	Multiple relationships	Probably that by getting...by developing relationships and getting access to customers' employees and particularly multiple of them, you have a much better...you're in a much better position to look for new areas of profit and opportunity. – ICT system provider

Table 4-6 Sample quotes for salesperson's relationship activities (continued)

Conceptual codes	Sub-codes	Sample quotes
Service	Service or product support	...the machine doesn't work very well,and our Assistant Manager went to their plant and helped them solve these problems.they're really happy with us and they think, if they've got future problems in the machinery parts, we're the people to deal with and they want us to supply them more machinery products in the future. – Foundry product and service provider
	Information supply	Ask: What do they actually do to develop that relationship? Answer: It's around...well, you've got an element of service, you know, of maintaining service levels, issue resolution, general account management, so providing the right sort of information to them on our performance. – Freight company
	Intra-firm relationship development	...nothing works in XX [our company] unless you know who to go to. So the only way to get stuff done around here is that somebody wants to help you get it done. So if I just pick up the phone and it's someone's job to do this, I'll just be one of a long list of jobs that they've got to do. But if they know me and if I have helped them in the past then that will greatly improve the assistance that they give to me. – ICT system provider
	Other third party relationship development	So while we have, I guess, a financial relationship with the client, we have to have back-up relationships with project managers, with architect, someone like that, will work on their project. - Office furniture supplier
Selling	Identifying business opportunity	Quite often the client expresses a need but they're not expressing is a buying need for recruitment. They might express a need which is...'we're doing this but we're not quite sure how to get around this' and they actually don't express a need for recruitment ...quite often don't expect us to be able to supply the answer but quite often we can, if that makes sense. – Recruitment and consulting company
	Clarifying customer's requirements	... or the client will say, 'this is what we're trying to achieve' and then through questioning that client, you find out...is that really what they're trying to achieve or is this what they think they're trying to achieve or you know...you delve further into it. – Integrated marketing and communication company

Table 4-6 Sample quotes for salesperson's relationship activities (continued)

Conceptual codes	Sub-codes	Sample quotes
Selling	Identifying solution	...one solution's not going to fit all. Every proposal, every conversation I have...like, the conversation I had around Alpha this morning, is a totally different conversation than I had with Beta.....every one's different I suppose and it's got to be seen to be that ... - Digital media provider
	Adaptive selling	So I suppose the success I've had in the short period of time but like I say, gaining a big portfolio quite quickly, is talking to people in a language that they understand... – Digital media provider
Coordination	Obtaining relevant resources	...typically you'll come up against an area that you know enough to realise that there's an opportunity there but you would then hunt down someone in your organisation who is actually a specialist in that area to probably help you. – ICT system provider
	Managing resources and costs	So a lot of it is about time management and also...if for example, Creative takes three weeks to create something instead of a week and they get billed by an hour or a day in that department, and you've forecast that it's going to cost this much for them to get that creative concept done, and it takes three weeks, that's blown your budget. So you have to be good at what you're doing to make sure that none of the internal processes will fall over and you don't blow your budget out at the other end too. – Integrated marketing and communication company
	Planning on objectives	...for example, if someone's very time-short and they're going through a lot of changes, if you plan out in advance and say 'I'm going to have to contact you a lot around this time, what's going to work for you?'...like, 'we've got some deadlines coming up and blah, blah, blah...if we touch base at 10 o'clock on Monday's or...'.....you know, it's working around their schedules as well but planning in advance for them.. – Integrated marketing and communication company
	Communicating objectives	We have a "work in progress" to start with...internally, we have "work in progress" every Monday morning at 8.30am. So all work in the agency is discussed and tracked...time lined...then we have a "work in progress" meeting with every client every week. So that becomes their bible of activity with us. – Integrated advertising and communications company

Table 4-6 Sample quotes for salesperson's relationship activities (continued)

Conceptual codes	Sub-codes	Sample quotes
Coordination	Coordinating interdependent activities	...you know if something needs to be made differently or there is a sort of crucial client contact that needs to be made like discussions over a delivery date or discussions over perhaps a contract on site not completing their task on time, allowing us to get in. if there is this sort of things, then, definitely, the sales support person will deal with the person who sold the job and often get them to communicate back..... they are sort of backwards and forwards chain going on. – Office furniture supplier

4.3.2.1 Learning about the seller's resources

The intensity level of a salesperson's activity of learning about the seller's resources is defined as the level of effort the salesperson devotes to improving knowledge about the seller's resources for co-creating value with the buyer. The interview results show that the intensity of a salesperson's learning about the seller's resources may be reflected in the efforts in understanding seller's products/services and competencies/resources, and in keeping abreast with the developments in the field. Thus three sub-codes are created under learning about the seller's resources: products/services, competencies/ resources, and developments.

The interviews find that effort in this learning has a positive influence on making use of the buyer's resources that are potential accessible for co-creation once a relationship is established. The interview results indicate that with better knowledge of seller's business, salespeople are more likely to identify opportunities in the relationship through making good use of the contacts established within the customer's firm and having co-creation related dialogue with the relevant actors. They are also more likely to take a "solution-focused approach" to the relationship and search for co-creation opportunities. A sample quote reflects this effect.

*So as soon as you start to operate a level where **you start to have business understanding, you're taking a more solutions-focused approach to a client's needs.** You might move into things like assisting with restructures and benchmarking and other things..... So as time goes on and you've grown your commercial skills and confidence and competence, **you tend to take a much more solutions-focused approach**so you don't just go in, find a job, fill a job and walk out of the room. **You tend to go in and look at their whole business and look at various ways in which we could have a number of touch-points.** – Recruitment and consulting company*

Thus while supporting the literature that this learning is likely to lead to good relationship performance for the seller, the interviews clarify that how this learning effects the availability of the buyer's resources in conjunction with other activities, such as customer contact and selling.

4.3.2.2 Learning about the buyer

The intensity level of a salesperson's activity of learning about the buyer refers to the level of effort the salesperson devotes to improving the knowledge about the buyer's business. The interview results show that the intensity of a salesperson's learning about the buyer may be reflected in the person's efforts in understanding the buyer's business, the value-in-use of the seller's offering for the buyer, the job roles of the individuals in the buyer's company the salesperson is dealing with. Thus, three sub-codes are created under learning about the buyer: business, value-in-use and individuals.

The interviews find that understanding a buyer's business is an important basis for identifying the co-creation opportunities in the relationship and obtaining good availability of the buyer's resources. The existing relationship provides chances for gaining an in-depth understanding of the buyer's business and how the seller may support the buyer's value creation process. Similar to learning about the seller's resources, this activity also affects the availability of the buyer's resources in conjunction with other activities, such as selling and customer contact. A sample quote is provided as follows.

*...we sell them this product, it goes on this machine. **But they have ten other machines. So you try to understand** "What do you do with the 10 other machines? What kind of staff do you put on them?" And sometimes, you have established the relationship they have dealt with you, and the joke is they already had an account set up for you. It is easy to say "Can we do something to your other machines? What else can we add value here? What else can we add more value to your company?" – Electronic measurement and control products and software provider*

In addition, the interview results show that understanding the value-in-use of the seller's product offering for the buyer is particularly important for the salesperson as it helps the salesperson to identify new business opportunities and to be effective in the dialogue with the buyer. The understanding helps the salesperson to understand and to clarify for the buyer what level of value is likely to be created through the use of the seller's offering. A sample quote is provided as follows.

*So if you joined an organisation today and you'd never sold to them before, **one of the things that would give you competence, is reading about all the customers that***

*you've helped because they have this intricate idea system and you see how this case study has been written up about this company....how much you've helped them, your company's helped them. **So that gives you confidence to take that other organisation, so that you can say, 'look, I understand your problem; we've dealt with other people who've had a very similar issue.'*** – Training company

The interviews also find that salespeople may try to understand a buyer's business through understanding the individuals they are dealing with within the buyer's firm. An excerpt is provided as follows.

*So you can get one staff member who's trying to do something and then two years later that's all gone out the tubes and they've got someone else in there; which is often...if you end up with a client...like, one of my clients who I was with longer than the Marketing staff...so they actually came to me because **I have far more knowledge, consistent knowledge, than they did.** And then you become **totally invaluable; you're like gold to both the client and the agency.** So it's building up knowledge and forming a good relationship and to me that comes from good common sense and understanding that person. **Understanding that individual, whoever they are, and what their questions are and what their job's about and where they're going.** So it's talking...communication. – Integrated marketing and communication company*

During the process of understanding these individuals, salespeople are likely to understand how value is created in the buyer's firm and how the seller may be able to co-create value with the buyer. Salespeople will be more capable of engaging the buyer in co-creation related dialogue, and thus will be more likely to obtain good availability of the buyer's resources.

4.3.2.3 Customer contact

The intensity level of a salesperson's activity of customer contact is defined as the level of effort the salesperson devotes to maintaining relationship with customer through regular contacts. The interview results show that the intensity of a salesperson's customer contact may be reflected in the person's efforts in business contact, social contact and developing relationships with multiple individuals in the customer's company. Thus, three sub-codes are created under customer contact: business contact, social contact and multiple relationships.

Consistent with the literature, regular customer contacts are viewed by the interviewees as essential to keep the relationship and social contacts can provide an informal setting, which allows for reflective thinking about the relationship and may lead to the emergence of innovative ideas about the relationship that can be further explored in later formal meetings. In addition, the interviews find that building relationships with multiple individuals within the customer's firm is important. Further, the relationships should be built at functional level, that is, with people who are functionally important. If one contact person leaves the customer's firm, the salesperson can still make the relationship work and get things done.

The interview results show that customer contact is very important for obtaining good level of availability of buyer's resources. Multiple relationships with the customer offer the salesperson a better position to gain a better understanding of the customer's business and to consider more different ways of combining two firms' resources for co-creation. New co-creation opportunities may be identified and the buyer's resources may be better utilised for co-creation. Thus, it is important to expend efforts on learning and selling during customer contact to achieve good availability of buyer's resources and relationship performance for the seller. An excerpt is provided as follows.

*...by developing relationships and getting access to customers' employees and particularly multiple of them, you have a much better...you're **in a much better position to look for new areas of profit and opportunity**. So to help you move away from your existing lines of business, which are likely to be under margin pressure, competitive threat, that sort of thing...**the more time you can spend inside a customer organisation, getting to know them, the more you may recognise things or issues that they have, where you have capability that could solve and deliver value there**; but you don't actually have those lines of business there at the moment. And obviously if you can get there first, you have a longer period earning profits in those new areas of business before competitors come in and start competing the margin away. – ICT system provider*

4.3.2.4 Service

The intensity level of a salesperson's service activity refers to the level of effort the salesperson devotes to developing the relationship with the customer through service. The interview results show that service intensity may be reflected in the efforts in providing

service or product support to the customer, supplying information to the customer, and developing relationships with actors who are relevant to serving the customer's needs. Therefore, four sub-codes are created under service: service or product support, information supply and intra-firm relationship development and third party relationship development.

The interviewees mentioned that maintaining high level of service and supplying useful information to the customer are important for gaining customer satisfaction. Services support the customer's value creation process and may generate rents for the seller. Developing relationship with relevant individuals in other functional departments within the seller firm or within a third party company for servicing customer was also mentioned as important. Interviewees noted that sometimes they need to obtain useful information from a third party or work with a third party to solve a customer's problem. Building relationships with individuals in other functional departments within the seller firm helps the salesperson obtain necessary help and get things done quickly. According to Walter and Gemünden (2000), salesperson's relationships with these relevant individuals are the salesperson's "power sources" and may lead to access to information, physical resources and people.

Consistent with the literature, the interview finds that if the customer is satisfied with the salesperson's service, they are likely to continue their business with the seller or to further invest in the relationship. Therefore, service intensity is likely to be associated with the availability of the buyer's resources.

4.3.2.5 Selling

The intensity level of a salesperson's selling activity refers to the level of effort the salesperson devotes to engaging the customer in co-creation related communication. The interview results show that selling intensity may be reflected in the efforts in identifying business opportunities in the relationship, clarifying customer's requirements, identifying solution, and adaptive sales presentations. Thus, four sub-codes are created under selling: identifying opportunity, clarifying requirement, identifying solution and adaptive selling.

Consistent with the literature, interviewees noted that customers may or may not be aware of their need. In addition, they noted that customers may not realise that their needs can be fulfilled by the seller's products or services. Salespeople need to carefully "listen" to what the customer says and "observe" what is happening in the customer's company during their visit and identify business opportunities out of these contacts. The interviewees also argue that salespeople need to be able to think creatively "how things can be improved" for the customer. It is also found that an important way to get better value out of an existing relationship is to ask for useful information for identifying business opportunities, which highlights the importance of asking the right questions. An excerpt is provided as follows.

*How do people get more value out of an existing relationship? If we have an existing relationship I think **the ones that get more value out of it are the ones that actually listen and ask**. I mean, if you don't ask, you don't get. So, once you've worked yourself into a position of trust, the obvious next step, and it's not obvious to all, but to most, is to then leverage that. And you leverage that by either asking for information or they give it to you. And some listen to it and do something with it and others don't. So you know, the smart ones listen to it, think 'mm, we can do something with that' and then look at ways in which we can come up with solutions that might help. – Integrated marketing and communication company*

On the other hand, interviewees also noted that customers may think that they are fully aware of their need and know what they require. However, the stated requirements from the customers may not be their real need. So, efforts are required to clarify customers' real requirements. Based on the clarified customer requirements, salespeople can work on how to solve customer's problem. The interviewees tend to take a solution approach in their selling. Words like "solution", "business advisor", or "consultant" were frequently mentioned by the interviewees.

The interviewees also mentioned that the selling approach needs to be adaptive, which requires strategic planning. This is consistent with the adaptive selling literature (Weitz et al., 1986), which suggests that salespeople should be smart at work (Sujan et al., 1994). The interviewees noted that salespeople should be able to reach the decision makers and raise their interest in listening to what is being offered. They also need to "fine-tune" their sales presentation or sales conversation to "take account of the customer's particular situation". They need to be able to talk in a language that the customer can understand. Value

proposition or “dollarising” the benefit of the offering for the customer may be needed if “the customer can’t yet see the opportunity of spending more money” on the salesperson’s organisation.

Overall, selling tries to effectively engage the customer in the co-creation related dialogue, and helps to gain customer’s willingness to participate in the co-creation and allocate the relevant resources to the relationship. The seller’s relationship performance will thus be improved.

4.3.2.6 Coordination

The intensity level of a salesperson’s coordination activity is defined as the level of effort the salesperson devotes to aligning relevant parties’ activities that are interdependent for value co-creation. The interview results show that salesperson’s coordination intensity may be reflected in the efforts in obtaining seller’s internal resources for serving the customer’s needs, planning for the resources needed for serving the customer’s needs and managing the relevant cost, planning on the objectives to be reached with the by the two firms and the activities to be carried out by the relevant actors, communicating the objectives with the relevant actors and coordinating the activities of the relevant actors. Thus, five sub-codes are created under coordination: obtaining resources, managing resources and cost, planning on objectives, communicating objectives, and coordinating interdependent activities.

The interviews find that salespeople need to be able to obtain useful internal and/or external resources for serving the customer’s needs, in the meantime, creating value for the seller. They normally need help from other functional departments within the seller’s firm or a third party to address customers’ problems or concerns. These findings are consistent with the literature.

In addition, coordination requires careful management or planning of what resources are needed for relationship value co-creation and salesperson needs to make sure that the cost of serving the customer is within the limit. Salesperson also needs to plan for or with the

customer on the objectives to be achieved with the customer and the activities to be carried out with the customer. Salesperson, as a relationship manager, needs to make sure that all the relevant actors are clear about the objectives to be achieved and agreed on the relevant issues. When problems arise, salesperson needs to coordinate with the relevant actors to solve the problems. Overall, as a relationship manager, the salesperson needs to “make certain that [service delivery] process falls into places and works”. All these will be done through “talking” and “meetings”. This is consistent with Gittell’s (2000) argument that coordination can be achieved through timely, frequent, and problem-solving communication.

Therefore, coordination influences relationship outcome through influencing the two firms’ activities that are interdependent. Through coordination activities, the relevant resources of the buyer and the seller are influenced in a way that is oriented towards each other. As already noted in the literature (Håkansson & Snehota, 1995), the linking activities activate the relevant resources of the two firms and release the inherent services and create value for the two firms.

In summary, the interview results suggest that, to realise more relationship value from a customer relationship, the salesperson’s will direct effort towards activities, such as learning about the seller’s resources, learning about the buyer’s business, customer contact, service, selling and coordination, that help to gain access to the buyer’s resources and to make good uses of both firms’ resources for co-creation. The level of a salesperson’s devotion of attention or effort to realising more value from a customer relationship is referred to as the salesperson’s relationship focus in the current study.

Each of the six activities influences the availability of the buyer’s resources in its own way and six activities are closely associated with each other. Learning about the seller’s resources for co-creation affects the availability of the buyer’s resources through directing sales efforts towards understanding buyer’s business and searching for useful information and co-creation opportunities inside the customer’s organisation. Customer contact establishes good relationship, which enables the access to buyer’s organisation. The salesperson will be able to ask for useful information that is needed for co-creation.

Learning about the buyer obtains information and creates knowledge on how seller can co-create value with the buyer. The information and knowledge in turn may lead to the realisation of the co-creation opportunities if the salesperson is successful in persuading the buyer (and possibly the seller) to invest in the relationship. Selling is thus important for realising the potential co-creation opportunities identified in the relationship and thus would influence the actual availability of buyer's resources. Service gains customer's satisfaction and obtains customer's willingness to maintain and develop the relationship and orient their resources towards the seller. Coordination manages the resources and activities for co-creation, making sure that the resources needed are pulled together and the activities of the relevant parties or actors are aligned. The interviews also clarify the domains of each of the six activity constructs.

4.3.3 The effect of relationship focus on buyer's resources and performance

The interview results show that higher level of salesperson's relationship focus is likely to lead to higher availability of the buyer's resources and relationship performance for the seller. The theme and the sample quotes are provided in Table 4-7.

The interviews suggest that, once a relationship is established, all the buyer's resources are potentially accessible to the seller. The salesperson will be able to "go in and look at [the customer's] whole business". However, the actual use of the customer's resources for co-creation is dependent on the salesperson's effort in utilising the established contact points, obtaining useful information from the customer, holding co-creation related dialogue with the customer, thinking deeply about how the relationship value could be improved. Higher performers are likely to direct their efforts towards identifying new business opportunities in the relationship, involving customer in the strategic dialogue and thus making a better use of the resource available.

Table 4-7 The effects of salesperson's relationship focus on buyer's resources and performance

Themes	Sample quotes
Efforts in learning about the buyer, learning about the seller's resources and selling affect the use of the buyer's resources that are potentially accessible	And that's what tends to happen as you move up the confidence and competence/ experience scale. So as time goes on and you've grown your commercial skills and confidence and competence, you tend to take a much more solutions-focused approach ...so you don't just go in, find a job, fill a job and walk out of the room. You tend to go in and look at their whole business and look at various ways in which we could have a number of touch-points. You have to do enough transactions to get some momentum in the marketplace. Then once you start to know your business quite well and your clients...you can look at ways in which you can add value to that relationship. So you almost need to transact for a little while under the radar, just to get a handle on really where I could do something. If you come in with a big bang, you'd probably get booted out the door because you haven't earned your stripes yet. – Recruitment and consultant company
Efforts in learning about the buyer, learning about the seller's resources, and selling lead to good availability of buyer's resources and relationship performance for the seller if you become a business advisor, you'll be more aligned with their business , so you've actually...you know, you've built the rapport; you'd have gone in understanding where their business... you could match needs on a multi-level. So not just on the price; you can in certain areas and environments, within [our website], [production] side of things...sponsorships, competitions...you know, you can really build a one-stop-shop for their business where it doesn't all become about the price.Because of my integrity and I suppose my collateral with him as a business advisor You know, I'll build integrity with him and he'll trust my decision on him being in other elements of our site that become applicable. So like, when something happens with Aston Martin or Bentley or Le Mans, you know...the Le Mans for example...we'll cover the story on our website so he'll up his spend to be more around those kinds of niche stories on our website. – Digital media provider
Effort in service leads to good level of availability of buyer's resources	We generally find, when a customer...and these are our large customers, when our large customers choose to go down the integrated path with us, at that point they're pretty committed to us. We'd have to become a really lousy supplier for them to leave us. We'd have to be doing something really wrong. When we get to that stage, we've generally had that customer for a while, we've got a good relationship, we've been...you know, had high service levels so they're very happy with us and they're prepared to invest to partner with us.The role of that individual salesperson who manages that account is to build the relationship to that stage so that customer is that happy with us that they are prepared to invest. – Freight company

Table 4-7 The effects of salesperson's relationship focus on buyer's resources and performance (continued)

Themes	Sample quotes
Efforts in customer contact, learning about the buyer, learning about the seller's resources, and selling lead to good level of availability of buyer's resources and relationship performance	Probably that by getting... by developing relationships and getting access to customers' employees and particularly multiple of them , you have a much better... you're in a much better position to look for new areas of profit and opportunity . So to help you move away from your existing lines of business, which are likely to be under margin pressure, competitive threat, that sort of thing... the more time you can spend inside a customer organisation, getting to know them, the more you may recognise things or issues that they have, where you have capability that could solve and deliver value there ; but you don't actually have those lines of business there at the moment. And obviously if you can get there first, you have a longer period earning profits in those new areas of business before competitors come in and start competing the margin away. – ICT system provider
Effort in coordination influences the availability of the buyer's resources and relationship performance for the seller	And the problem with what we do is that if any one in what we do is like, not only furniture, but electrician or carpet layer, whatever, if they are late, it affects everybody else. So by us being late, it means they couldn't open that facility for until three months after it was supposed to. So there were issues around revenue, and they got to discuss with us. We, long story short, we assured him, we spent a lot of time working through, and they began to work with us on developing products for the second phase, which was very exciting because, you know, from all accounts, we would probably shouldn't have been invited to work on the second phase. But we again we work very very close to them, closer than we had previously, on things like material selection, we triple, cross-check everything, we spent a lot of time with the designer on the job , kind of meeting things there and catching up relationships there because it reflected badly on him of course as well. But, we ended up with securing the second phase of that project , and it all with our hitch, the client, with our agreement put in place, what we called liquidator damages, so if we deliver late, then we will be penalized. – Office furniture supplier
Higher effort level (i.e., working hard) generally leads to higher performance.	If you don't get the baseline of activity right, you're stuffed to be honest. You have to have the baseline of activity right . If you're not putting enough in, it's a funnel, there's not enough coming out. I know you're looking at the qualitative stuff but the baseline is, no matter how good an interviewer you are and no matter how good you are on a client visit, if you're not doing enough of it, you're never going to have enough sales. (laughing) So you might do one fabulous call a week and one fabulous interview a week; it's still not enough.....if I look at the ones that are good, they work really hard..... – Recruitment and consulting company

Table 4-7 The effects of salesperson's relationship focus on buyer's resources and performance (continued)

Themes	Sample quotes
<p>Effort needs to be directed towards the right activities (e.g., customer contact, learning about the seller's resources, learning about the buyer, service, selling) to be able to achieve high performance.</p>	<p>...so, if you're saying, if everyone gets their baseline of activity right, what then differentiates them? I think it then becomes, 'what goes on inside those interviews?' So, are they highly transactional, very clinical interviews or client visits? Or are they people who use every touch point as an opportunity to improve their own knowledge, improve their candidates' knowledge, improve their client's knowledge? Do they look at ways in which they can be useful? Do they go above and beyond the call of duty in terms of responsiveness and follow-up and do they chase every lead up under the sun. There's all sorts of things that you can look at.- Recruitment and consulting company</p>
<p>The actual extent of the use of the buyer's resources, and thus value creation is dependent on the salesperson's effort in making use of the buyer's resources that are potentially accessible</p>	<p>How do people get more value out of an existing relationship? If we have an existing relationship I think the ones that get more value out of it are the ones that actually listen and ask. I mean, if you don't ask, you don't get. So, once you've worked yourself into a position of trust, the obvious next step, and it's not obvious to all, but to most, is to then leverage that. And you leverage that by either asking for information or they give it to you. And some listen to it and do something with it and others don't. So you know, the smart ones listen to it, think 'mm, we can do something with that' and then look at ways in which we can come up with solutions that might help. – Integrated marketing and communication company</p>

The interview results also suggest that higher level of effort is a necessary condition for higher performance as long as the effort is directed towards the appropriate activities. The finding is consistent with the literature, which suggests that both effort level (working hard) and effort direction (working smart) are important for performance (Jaramillo & Mulki, 2008). The effect of effort direction suggests that identifying relevant activities are important for realising the potential value of the relationship.

The interview results show that different types of sales activities are intertwined. It takes time to build up the knowledge base needed for seeking useful information inside the buyer's organisation, exploring business opportunities in the relationship, and identifying or creating solutions. Thus, salespeople need to expend effort on learning about both the seller's resources for co-creation and the buyer's business. Spending time with the customer, in particular, within the customer's organisation, helps to build up a deep understanding of how the customer's business operates and how value could be co-created in the relationship through supporting customer's business. Both service and customer contact provide the salesperson chances for learning and selling, which communicates the value co-creation opportunities. Coordination facilitates the activities for realising the co-creation opportunities identified from the selling.

The interview results also suggest that financial performance has been a key factor for measuring the performance of the relationship for the seller, and may include sales, sales growth, profit or margin, and share of business. It is mentioned that the key account manager's job is to nurture the relationship to a point where the customer is only using the seller firm as the supplier. It is also noted that, once a relationship is established, salesperson will have the chance to look for cross-selling opportunities. These findings are consistent with the literature, which has been measuring these factors as the relationship performance for the seller (e.g., Palmatier et al., 2008). The sample quotes of financial performance are provided in Table 4-8.

Table 4-8 Financial performance conceptual codes and sample quotes

Conceptual code	Sub-codes	Sample quotes
Financial performance	Sales or sales growth	<p>Ask: How does your company assess the value of this customer, formally?</p> <p>Answer: Formally, I guess, in the same way that we have KPIs and performance types indicators for the type of service we give them, and we have the same measurements within the office for our clients whereby in a sense we know what they spent last year, we forecast I guess for those clients, to sort of map out what we expect them to spend going forward, which up to us to assess what they are actually going to be worth for us, and what sort of value they hold for the company. – Office furniture supplier</p>
	Share of business	<p>Ask: How does your company formally assess the value of the customer?</p> <p>Answer: We obviously look at what percentage did they buy from us compared to other supplier, what share of business do we have? Also look at if it has expanded over the years. – Electronic measurement and control products and software producer</p>
	Profit or margin	<p>...the reason they're in business is to make money and at the end of the day, that's where it comes back to; financial performance. And the interesting thing is there is that you've got to, from a management point of view, be continually nurturing sales reps on their return of investment, and even the gross profit.And my expectation of margin is that you must sell more at 25% or 30% margin.' Any fool can go out and sell products at 10% margin or 5% margin; well what's the point? You might as well not have him because at the end of the day, their Sales and Marketing mix, goes....this is a very expensive resource for building business – Safety products and services provider</p>
	Cross-selling	<p>And it's also cross-selling and in different services, so, for example...we had everything, so a lot of companies didn't know what direct marketing was even, or we had a sales side which was like retail sales, so it was all about doing catalogues and stuff for [retail company] and TV, which is very specialised and horrible in my opinion, but anyway...and then we have the direct marketing side of things. And we even had what was called XXX, which was about the retail environment; so it was actually interior designers that would go in, who had specialist knowledge about the psychology of shopping and were architects and all that sort of stuff, who could go and fit out [retail stores for retail company], you know, or give them advice. So it's about cross-selling your products as well. – Integrated marketing and communication company</p>

4.4 Conceptual framework development

Following Bagozzi's (1984) guidelines on theory construction, a model has been structured in Figure 4-3. According to Bagozzi (1984), the conceptual meaning of a construct is incomplete without the specifications of (1) the antecedents, determinants, or causes of it, (2) the consequences, implications, or results of it, and (3) the associative noncausal links to it. The attributional, structural and dispositional definitions of the constructs in the model are discussed in this section.

The focal construct of the current study is the availability of the buyer's resources. An attributional definition requires the specification of the attributes, characteristics, or properties of the concept (Bagozzi, 1984). Morgan and Hunt (1999) suggest that firms can gain access through the relationship to the partner's resources, which may include financial, physical, legal, human, organisational, informational, and relational resources. Not every relationship partner has resources in each of these categories that are valuable or useful for the firm. Thus, the cluster attributional definition is used for defining the availability of the buyer's resources, whereby none of the attributes in the cluster is required to be a necessary property and selected subsets are sufficient to define the focal concept (Bagozzi, 1984). The availability of the buyer's resources is defined as the level the buyer's resources are accessed and used for relationship value co-creation. In addition, the interview results suggest that the availability of the buyer's resources may be reflected in the amount of useful information or expertise and innovative ideas provided by the people of the buyer's firm, the amount of useful market information or developmental plans provided by the buyer's firm or the buyer's other relationship partners, and the amount of buyer's financial or physical resources that are useful for co-creation.

"A structural definition of a concept specifies a set of elements (e.g., properties) and relations among elements such that the concept is given meaning through the entire network" (Bagozzi, 1984, p. 20). The structural definition of the availability of the buyer's resources is provided in the conceptual model in Figure 4.2. The dispositional definition describes the capacities or tendencies of a concept for change or for influencing or being influenced by another concept (Bagozzi, 1984, p. 20). The dispositional definition of the availability of the buyer's resources for the seller needs to specify the antecedents and consequences of the construct. In the current study the

antecedent examined is the salesperson's relationship focus and the consequence examined is the financial performance of the relationship for the seller.

Based on the qualitative research results and the literature, the level of a salesperson's relationship focus is referred to as the level of attention the salesperson allocates to gaining access to a buyer's resources and making good use of the resources for realising the potential value of the relationship for the seller. This relationship focus has six cluster attributes: levels of intensity of the six activities including learning about the seller's resources, learning about the buyer, customer contact, service, selling and coordination.

The intensity level of a salesperson's learning about the seller's resources activity is defined as the level of effort the salesperson devotes to improving knowledge about the seller's products/services and other resources for co-creation. It has cluster attributes such as understanding seller's products/services, and competencies/resources. The intensity level of a salesperson's learning about the buyer activity refers to the level of effort the salesperson devotes to improving knowledge about the buyer's business. It has cluster attributes such as understanding buyer's long term needs, how value is created for the buyer through the use of the seller's offering, and how individuals work in the buyer's company. The intensity level of a salesperson's customer contact activity is defined as the level of effort the salesperson devotes to maintaining and strengthening the relationship through customer contact. It has cluster attributes such as regular business and social contact, and multiple relationships. The intensity level of a salesperson's service activity is the level of effort the salesperson devotes to developing the relationship through service. It has cluster attributes such as information supply, intra-firm and other relationship developments for serving the customer. The intensity level of a salesperson's selling activity is defined as the level of effort the salesperson devotes to engaging customer in co-creation related communication. It has cluster attributes such as identifying business opportunity, clarifying customer's requirement, solution creation, and adaptive selling. Finally, the intensity level of a salesperson's coordination activity is defined as the level of effort the salesperson devotes to coordinating the activities of the buyer and the seller that are interdependent for solution creation and offer delivery, pulling the relevant resources together. It has cluster attributes such as obtaining relevant resources for serving the customer, managing

internal resources and costs, planning on the objectives to be achieved with the customer, communicating to the relevant actors about the objectives, and solving problems during the solution creation and offer delivery process.

The consequence of the availability of the buyer's resources is the financial performance of the relationship for the seller. Financial performance includes cluster attributes such as sales, share of customer's business, margin, and cross-selling.

This section presents the conceptual meaning of the focal construct and its antecedents, consequences, and other associated constructs. The empirical meaning of these constructs will be derived through the structural model and the hypotheses development.

4.4.1 Hypotheses development

Based on the literature, the basic structure of the conceptual model of the current study is established. The qualitative research validates the relationships between the three key constructs in the model: salesperson's relationship focus, the availability of the buyer's resources, and the relationship performance for the seller, and provides further information on the domains of the three constructs as well as the measures for the constructs. As discussed earlier in the research approach chapter, for the examination of the construct validity of the constructs, quantitative methods will be used. The hypotheses for quantitatively testing the relationships between the three constructs are discussed next. These hypotheses are also important for the examination of the nomological validity of the constructs.

4.4.1.1 Hypothesis 1

The resources potentially available to the relationship provide an important substance for value co-creation in the relationship. This potential availability of resources set the range of activities two relationship partners can pursue, and thus the potential value of the relationship (Hakansson & Snehota, 1995; Madhok & Tallman, 1998). Strategic actions are needed to transform the potential value of the potentially available resources into actual performance (Penrose, 1959) for the two firms involved in the relationship. Therefore, the availability of the buyer's resources, that is the level of the buyer's resources being accessed and used for co-creation, will be related to the relationship

performance for the seller.

The literature shows that buyers do contribute their resources to the relationship for obtaining mutual benefits (e.g., Humphreys et al., 2004; Jap, 1999; Schmidt et al., 2007), and thus the seller will be able to gain their relevant benefit. As discussed in Chapter 2, buyers make relationship-specific investments, such as human investments (e.g., training, or time and effort to learn a supplier's product), knowledge-based investments (e.g., systems and procedures), and physical investments (e.g., facilities or equipments) (e.g., J. R. Brown et al., 2009; Heide & John, 1988), and money (Heide & John, 1992). In supply chain study, researchers show that buyers 'relationship-specific investments may include providing the supplier with training in statistical process control, assigning support personnel to the supplier's facilities, providing the supplier with equipment or tools for process improvement, providing the supplier with capital for new investments (Humphreys et al., 2004). Buyers also make relationship-specific adaptations in areas such as product/process technology, production/planning/scheduling, product/service specification, information exchange, delivery, financial and contractual terms/conditions, organisational structure, and personnel arrangements (Schmidt et al., 2007). As relationship develops, buyers and sellers may jointly work on issues such as product modification, cost-cutting, long-range planning, and staff training (Heide & John, 1990; Joshi & Stump, 1999) and thus are able to further exploit the resources of the two firms for gaining higher relationship outcomes. Jap's (1999) and Palmatier, Dant et al.'s (2007) research results suggest that buyer's relationship-specific investments can lead to good financial performance for the seller. Therefore, by providing the resource inputs to the relationship, the buyer and the seller co-create the value and both are better off.

The interview results show that, from a salesperson's perspective, the availability of the buyer's resources is related to whether the buyer understands or provides clear information about their needs or problems, offers innovative ideas for value co-creation in the relationship, supplies useful market information or knowledge that is relevant to co-creation, informs the developmental plans that is relevant to the business of the relationship, introduces the seller to their other relationship partners who have useful information or knowledge for co-creation, or allocates money and physical facilities or materials for the relationship when these resources are needed. All these resources are important inputs for the buyer and the seller to co-create value in the relationship. If the

availability of these resources is high, the salesperson will be able to identify the buyer's needs or problems and business opportunities in the relationship, or to make use of the information and knowledge for co-creation which will benefit both the buyer and the seller. The information and knowledge may be used for developing new products for meeting end customers' needs, or developing new processes for lowering operational cost for running the relationship, or planning in advance for matching the buyer's developmental plans. The seller will thus be able to gain a better financial performance from the relationship. Therefore, it is hypothesised as follows:

Hypothesis 1: The availability of the buyer's resources has a positive impact on the financial performance of the relationship for the seller.

4.4.1.2 Hypothesis 2

As discussed in conceptual framework development, the level of a salesperson's relationship focus is reflected in six dimensions: levels of intensity of the activities of learning about the seller's resources, learning about the buyer, customer contact, service, selling and coordination. Service and customer contact help to develop the relationship with the customer. The relationship provides salespeople chances to further their understanding of the customer's business. Through the multiple contacts established within the customer's firm and service contacts, salespeople will be able to go into the customer's firm and examine how the seller can support the customer's business further. With the sophisticated knowledge gained through learning activities, salespeople will be able to ask the right questions and to effectively engage customer in the strategic dialogue that is associated with co-creation. Selling identifies customer's requirements and the solutions and communicates the value propositions. With all of these, the customer is more likely to participate in co-creating value with the seller, and to allocate their resources towards the relationship accordingly.

The existing literature has consistently stressed the importance of salesperson's knowledge of both the buyer and seller for developing relationship with the customer (Bistriz et al., 1998; Boles et al., 1996; Peterson & Lucas, 2001), and continuous learning for providing creative solutions for the customer in the dynamic market (Wang & Netemeyer, 2004). Without a good level of knowledge, salespeople will have no chance of establishing credibility with the customer, obtaining their trust and gaining

useful information from them. The trust will enable the free exchange of important information that is relevant to co-creation (Weitz & Bradford, 1999).

In addition, maintaining high level of service is likely to lead to customer satisfaction. The customer will be more likely to continue the business with the seller and invest more in the relationship. Ahearne et al. (2007) find that service has a positive impact on customer's satisfaction, which in turn leads to customer's trust, and this trust has positive influence on the share of customer's business. The interview results support their findings.

Finally, through coordinating closely with both the buyer and the seller and other relevant third parties, salespeople pull the relevant resources together, including the resources of the buyer, for each stage of the co-creation process, which may include customer requirement definition, customisation and integration, deployment and post-deployment (Tuli et al., 2007). Therefore, it is hypothesised as follows:

Hypothesis 2: The level of a salesperson's relationship focus has a positive effect on the availability of the buyer's resources.

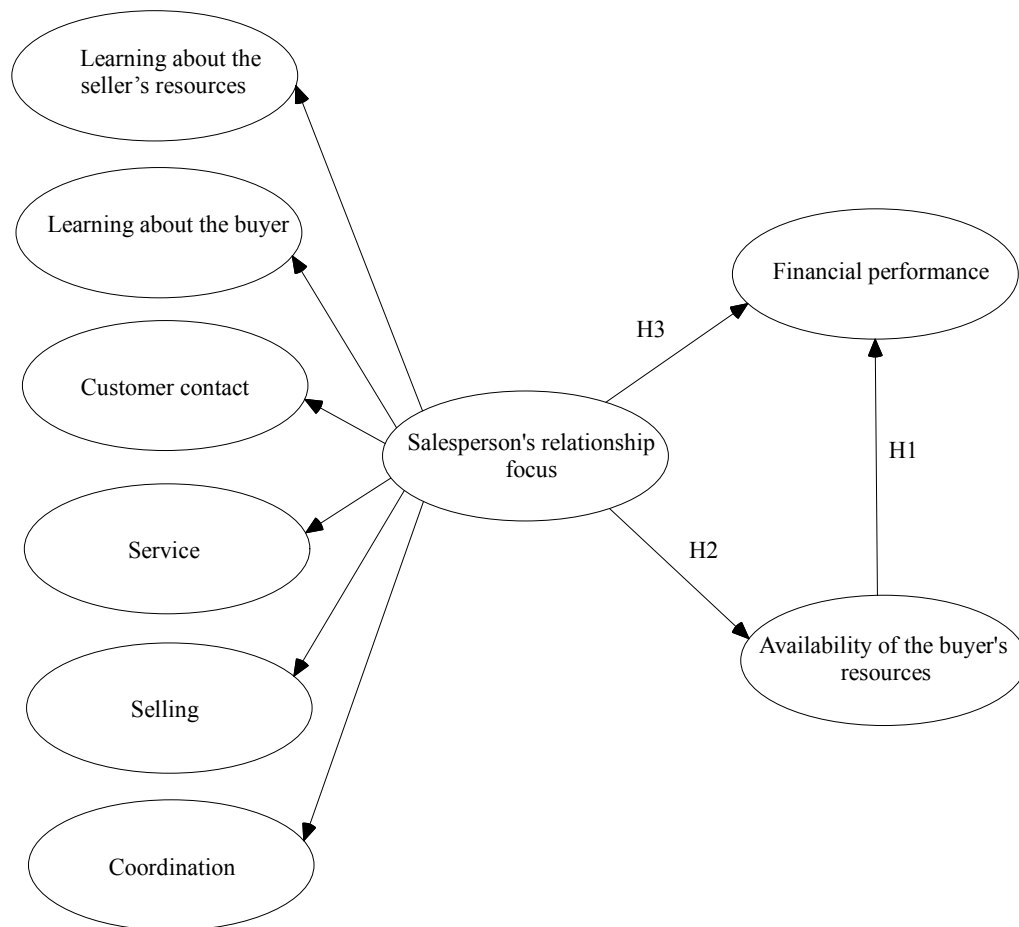
4.4.1.3 Hypothesis 3

Sophisticated knowledge of both the buyer's and seller's businesses is extremely important for the salesperson to identify value co-creation opportunities in the relationship and thus to create value for both firms (e.g., Weitz & Bradford, 1999). As market environment is dynamic, salespeople needs to learn continuously to be able to provide creative solutions for customers (e.g., Wang & Netemeyer, 2004). Learning forms the knowledge base for selling, which helps to transform the resources potentially available to the relationship, including the buyer's resources, into the performance for the seller. Customer contact and service may enhance salesperson's learning and offer chances to have strategic communication with the customer. Coordination aligns the co-creation activities of the relevant parties and facilitates the value realisation process. In addition, the interview results show that being the coordination point between the two firms, the salesperson has the chance to understand better how two firms' capabilities and resources can be integrated for value co-creation and will be able to provide the "building blocks" for solution creation. Therefore, the six dimensions of

salesperson's relationship focus are closely associated with each other for realising the relationship value for the seller, thus will help the seller to achieve high level of relationship performance. Therefore, it is hypothesised as follows:

Hypothesis 3: The level of a salesperson's relationship focus has a positive effect on the financial performance of the relationship for the seller.

Figure 4-3 Influence of relationship focus on buyer's resources and performance



4.5 Conclusions

The qualitative phase of this research clarifies the domains of the two constructs: the level of a salesperson's relationship focus and the availability of a buyer's resources. It validates that the activities identified earlier from the literature, i.e., learning about the seller's resources, learning about the buyer, customer contact, service, selling and coordination, are relevant to the availability of the buyer's resources, and further

clarifies how each of the six activities influence this availability differently, and how they are intertwined with each other. The interview results show that the availability of the buyer's resources has a positive impact on the relationship performance for the seller. In addition, the salesperson can influence the availability of the buyer's resources and the relationship performance for the seller through directing effort to appropriate activities, such as learning about the seller's resources, learning about the buyer, customer contact, service, selling, and coordination. The conceptual codes developed during this phase of research are useful for developing the measurement items for the two constructs. The measure development, and the issues on construct validity examination and research model validation will be discussed in the next chapter – testing the conceptual framework.

5 Testing the conceptual framework

5.1 Introduction

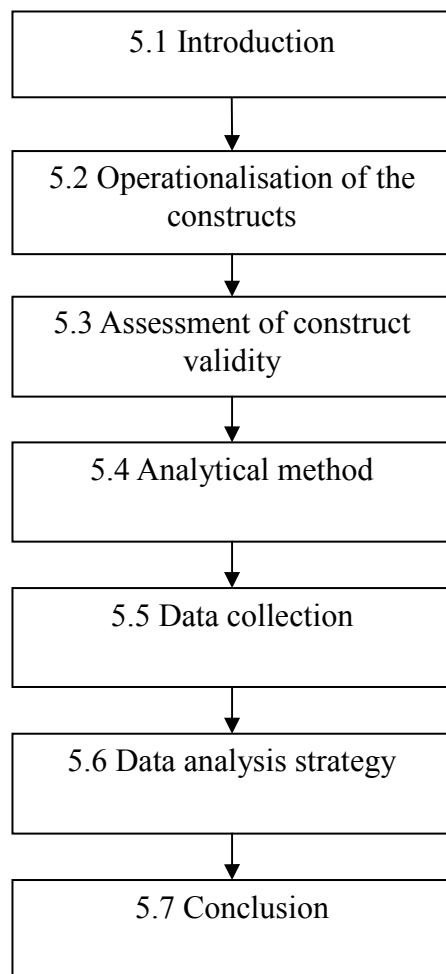
This chapter justifies and outlines the quantitative method used to test the conceptual framework developed in the previous chapter. The initial structure of the conceptual model of the current research was established based on prior theory, especially the ARA structure from the network theory. Based on the literature, salespeople may influence the availability of the buyer's resources through six activities: learning about the seller's resources, learning about the buyer, customer contact, service, selling and coordination. Both learning activities help to identify the business opportunities in the relationship and to engage the customer in the co-creation related dialogue. The expertise developed through learning also helps the salesperson to obtain the customer's trust. This trust may influence the customer's willingness to allocate resources to the relationship as the perceived risk of the resource allocation will be low based on trust. Regular customer contacts and service contacts provide the salesperson chances to learn further about the customer's business and how the seller may support the customer's business process, and thus co-create value with the customer. Selling identifies the business opportunities and co-creates value propositions with the customer so that the solutions will be more effective. Coordination pulls relevant actors and other resources together and facilitates the co-creation process.

During qualitative phase of the research, the domains of the two constructs, i.e., the availability of the buyer's resources and the level of salesperson's relationship focus, are further clarified. The interviews find that, from a salesperson's perspective, the availability of the buyer's resources is associated with the amount of useful information, expertise, and innovative ideas provided by people from the buyer's firm, useful market information or other useful information provided by the buyer or buyer's other relationship partners, buyer's future developmental plans that will influence the business of the relationship, and buyer's financial and physical resources that are relevant to co-creation. For salesperson's relationship focus, the interviews validate that the six relationship activities identified from the literature are relevant to the availability of the buyer's resources. The interviews also clarify how different sales activities are associated with the availability of the buyer's resources differently. Three hypotheses

are developed, and need to be tested quantitatively. The measures of the constructs need to be developed and the validity of the constructs needs to be examined.

Figure 5-1 shows the flow of this chapter. After introduction, operationalisation of the constructs is discussed first, followed by the criteria for assessing construct validity. Then the analytical method, data collection and data analysis strategy are provided. Finally, the conclusion is provided for the chapter.

Figure 5-1 Chapter outline



5.2 Operationalisation of the constructs

This section discusses the operationalisation of the constructs based on the conceptual model developed in chapter 4. Item generation methods, item development, face validity assessment and questionnaire wording examination, and item scaling are discussed in turn.

5.2.1 Item generation method

This study used a combination of inductive and deductive approach in item generation and the purpose was to adequately represent the constructs under examination. It is noted that item generation can follow either an inductive approach or a deductive approach (Hinkin, 1998). The definitions of the key constructs provided through the qualitative data analysis were used for specifying the domains of the constructs. Apart from interviews, items were also drawn from the literature when they were viewed as within the conceptual domain of the constructs of the current study.

The sub-codes created during the qualitative data analysis were used for systematically generating the items that covered different aspects of the constructs in the current research model. Researchers suggest that an important goal in item generation is to systematically sample all content areas of the construct (Netemeyer, Bearden, & Sharma, 2003). The elements of an assessment instrument need to be relevant to and representative of the targeted construct for its particular assessment purpose (Haynes, Richard, & Kubany, 1995).

The initial item pool contained 75 items for salespeople's activities, 22 items for buyer's resources, and 8 items for the financial performance of the relationship for the seller. The items for financial performance of the relationship were drawn from Workman et al. (2003), O'Toole and Donaldson (2002), and Medlin (2006). For salesperson's activities, items were drawn from the literatures of sales, key account management and relationship marketing. For selling activities, items were drawn from de Jong and den Hartog's (2010) "innovative work behaviour", and Gittell's (2000) argument on "relational coordination" was also considered in drafting the items. Most of the items from the literature were reworded, further developed to reflect the current sales activities and to fit into the current research context. For example, an item was drawn from Behrman and Perreault (1982) for measuring salesperson's activity of learning

about the seller's resources for co-creation. The original item was worded as "keeping abreast of your company's production and technological developments" (Behrman & Perreault, 1982, p. 366). It was reworded as "keeping abreast of the developments in the industry in which your company operates for serving this customer". The change makes sure that the item is applicable for salespeople in both manufacturing and service industries and broadens the scope of the learning.

5.2.2 Item development

Three issues were considered during item development: wording consistency, use of positive wording, and item number determination. The items were written in a way that is familiar to the target respondents, i.e., salespeople, and were consistently written from the perspective of the salesperson.

This study chose to use positive wording of the items. It is suggested that negatively worded items can help to "keep the respondent honest" and to avoid response bias in the form of yea-saying, affirmation, or acquiescence (Netemeyer et al., 2003, p. 99). However, it has also been found that the reliability level of negatively worded items tend to be lower than that of positively worded items and the negative wording can be confusing to respondents (Netemeyer et al., 2003). Positively worded items and negatively worded items tend to load on two different factors (Netemeyer et al., 2003). In addition, negative wording can have detrimental effect on psychometric properties of a measure (D. A. Harrison & McLaughlin, 1993). Therefore, positive wording was deemed more appropriate for the current research.

Obtaining respondent cooperation was the main consideration in determining the number of the items included for face validity examination. Scholars recommend that it is better to be "overinclusive" rather than "underinclusive" in determining the number of items in the initial pool, and researchers must also consider issues such as item redundancy, the desired level of internal consistency, and respondent cooperation (Netemeyer et al., 2003). While some item redundancy is necessary at the item-generation stage of scale development, purely trivial wording/grammar differences would be useless (Netemeyer et al., 2003). In the current research, the initial pool of the items generated was still very large after the useless redundant items were deleted. To make sure that respondents would participate in the face validity examination, the item

redundancy was kept at minimum. In the end, the experts were presented with 40 items for salespeople's activities, 14 items for buyer's resources, and 7 items for financial performance for face validity examination, which is discussed next.

5.2.3 Assessment of face validity and questionnaire wording

Face validity is a necessary condition for ensuring content validity (Hardesty & Bearden, 2004), and thus will be associated with construct validity and needs to be checked first. Nunnally and Bernstein (1994, pp. 109-110) suggest that face validity "may best be understood as reflecting the extent to which the test taker or someone else (usually someone who is not trained to look for formal evidence of validity) feels the instrument measures what it is intended to measure". In addition, high face validity is also important for gaining good response rates. Researchers argue that instruments with high face validity are likely to induce cooperation among respondents through ease of use, proper reading level, clarity, and appropriate response formats (Netemeyer et al., 2003).

There are two common ways in the marketing literature to establish face validity (Hardesty & Bearden, 2004). In the first approach, judges are exposed to individual items and asked to evaluate the degree to which items are representative of a construct's conceptual definition. In the second approach, judges are asked to assign the items to the constructs based on their definitions. In the current research, the first approach was adopted as it requires less effort than the second approach from the judges, who are very busy.

In addition, it was found at the very beginning of this test that the respondents had difficulty in rating the "representativeness" of the items. Thus they were asked to rate whether the items are "irrelevant", "somewhat relevant", or "highly relevant" to the constructs based on the definitions provided. Haynes et al. (1995, p. 239) clarify that "[t]he relevance of an assessment instrument refers to the appropriateness of its elements for the targeted construct and function of assessment", and "[t]he representativeness of an assessment instrument refers to the degree to which its elements are proportional to the facets of the targeted construct". Thus measuring relevance is appropriate for face validity checking.

The number of experts used for judging face validity in marketing research has been

reported to be between 3 and 52 (Haynes et al., 1995). The average number of judges used is 10. In addition, it is suggested that all elements of the items should be judged for face validity: the items themselves, the response formats, the number of scale points, and instructions to the respondent. In the current study, eight experts were used for judging the face validity of the items. Their profile is provided in Table 5-1. Four of these experts were the interviewees for the qualitative phase of this study. Emails were also sent to the other interviewees but five had left their jobs, one replied and said he was very busy, and the other four did not reply. Three academic staffs were invited for this face validity checking task, and one sales representative of a party hire company offered the help.

Table 5-1 Profile of the experts for judging item face validity

No.	Experts for judging the items
1	General manager of a recruitment and consulting company
2	Director of a digital products/services provider
3	Owner of a training company
4	Sales manager who has experience in a wide range of products including safety products/services (Master's degree in marketing)
5	Sales representative of a party hire company
6	Associate professor who teaches sales programmes
7	Senior lecturer (PhD) who has sales background
8	Senior lecturer who has sales background

Based on the results from this evaluation, the questionnaire was drafted, and then four experts from the field reviewed the questionnaire, three of them were the interviewees participated in the above item checking. The other was a sales manager from a packaging company. These experts were asked to comment on the wording of the instruction, the questions, the scales, and the appropriateness of the whole questionnaire. These experts' profile is provided in Table 5-2.

Table 5-2 Profile of the experts for judging face validity

No.	Experts for judging the questionnaire
1	Sales manager of a packaging company
2	General manager of a recruitment and consulting company
3	Sales manager who has experience in a wide range of products including safety products/services
4	Director of a digital products/services provider

Regarding the rules for deletion of an item, the current research deleted the items that

received less than 6 judges (out of 8) as highly relevant. It has been reported that marketing researchers have used three ways for item deletion during face validity examination process: (1) items are deleted when evaluated by any judge as being not representative of the construct; (2) the overall evaluations of all of the judges; and (3) the number of judges who evaluated an item as completely representative of the construct (Hardesty & Bearden, 2004). This research chose the third approach. The existing marketing studies have used different rules for retaining an item, such as 3 out of 5 judges, 50 percent out of 24 judges, and 3 out of 4 judges rate an item as completely representative of the construct (cf. Hardesty & Bearden, 2004). The current research's rule of 6 out of 8 judges rate the item as highly relevant for the item to be retained was thus deemed appropriate.

After item deletion and re-construction, 37 items were retained for four salesperson's activities, 10 items for buyer's resources, and 5 items for financial performance. Table 5-3 shows the items for buyer's resources, and Table 5-4 shows the items for financial performance of the relationship for the seller. (Items for a salesperson's activities reflective of the person's relationship focus are very similar to the sub-codes in Table 4-5 and thus are provided in Appendix 6.1 to avoid repeating the information.)

Table 5-3 Items generated for buyer's resources

Conceptual codes of buyer's resources	Items generated
Human resources	<ol style="list-style-type: none"> 1) Innovative ideas that are useful for developing business with your company 2) Information that is useful for identifying and addressing the customer's needs 3) Expertise that is useful for developing business with your company
Organisational resources	<ol style="list-style-type: none"> 4) Organisational resources that are useful for your company, such as the customer's database, technology, market information, or brands 5) Future developmental plans that may lead to future selling opportunities for your company
Relational resources	<ol style="list-style-type: none"> 6) Relationships with other third parties that are useful for your company
Financial and physical resources	<ol style="list-style-type: none"> 7) Money that is needed for doing business with your company 8) The physical facilities, equipments or materials that are needed for doing business with your company

Table 5-3 Items generated for buyer's resources (continued)

Conceptual codes of buyer's resources	Items generated
Overall resources	9) Investments that are needed specifically for doing business with your company, e.g., staff training, or adaptations in their systems or procedures 10) Joint work with your company on issues such as product development, cost-cutting, long-range plans or staff training

Table 5-4 Items generated for financial performance

Outcomes	Codes	Items generated	Sources of the supporting literature
Financial performance	Meeting sales targets	1) Meeting sales targets and objectives	Workman et al. (2003)
	Share of customer's business	2) Improving your company's share of this customer's business	
	Cross-selling	3) Making sales to them from multiple product or service divisions	Adapted from Workman et al. (2003)
	Margin or profit	4) Making high margins 5) Improving the economic use of your firm's resources	Based on Medlin (2006)

5.2.4 Item scaling

The key thing of item scaling is to make sure that the scale used generate sufficient variance among respondents for subsequent statistical analyses (Hinkin, 1998). As Likert-type scales are widely used in measuring opinions, beliefs, and attitudes (DeVellis, 1991), they were considered to be appropriate for the current study because the current study measures the participants' beliefs concerning their efforts expended on a relationship, the information or resources that are provided by the buyer, and the relationship performance for the seller. Three key questions in the questionnaire of the current research and their scales are provided in Table 5-5 together with examples of the items.

As shown in Table 5-5, 7-point Likert-type scale was selected. Researchers note that providing more response alternatives or points does not necessarily increase reliability or validity of responses because respondents might not be able to make more subtle distinctions that are required, and might respond randomly, which in turn would lead to

invalid responses (Clark & Watson, 1995). In addition, researchers find that reliability of responses increases steadily from a 2-point scale to 5-point scale or 7-point scale, and then levels off (cf. Hinkin, 1995). Therefore, 7-point scale should be appropriate to generate sufficient variance of responses for the current study.

This section reports on how the constructs were operationalised in the current study. Detailed information on item generation and questionnaire pre-testing was provided. The domains of the constructs were systematically sampled according to the sub-codes generated at the qualitative phase of this study, and the face validity of the measurement items were assessed by both academic and practitioner experts. The wording of the questions and the item scaling were also evaluated by the practitioner experts. The items were judged to be relevant, and the wordings and the item scaling were viewed as appropriate by the experts. Quantitative data will be needed for further validating the scales, which will be discussed next.

Table 5-5 Questions and scales used for the questionnaire with sample items

Key sets of constructs	Questions	Scales
Buyer's resources	To what extent has your chosen customer provided your company the following? <ul style="list-style-type: none"> Expertise that is useful for developing business with your company? 	1- not at all 7-a very large amount
Salesperson's relationship focus	How much effort have you devoted to the following activities for your chosen customer compared to other customers? <ul style="list-style-type: none"> Understanding this customer's long-term needs 	1-very little amount 7-very large amount
Financial performance	How well does the relationship with the chosen customer provide the following outcomes for your company, compared to the outcomes your company gets from other customer relationships? <ul style="list-style-type: none"> Meeting sales targets and objectives 	1-poor 7-excellent

5.3 Assessment of construct validity

Researchers suggest that four aspects of construct validity need to be investigated: reliability, convergent validity, discriminant validity, and nomological validity

(Churchill, 1979; Flynn & Percy, 2001; Peter, 1981). Reliability is commonly measured by internal consistency using Cronbach's alpha (Hinkin, 1995) and composite reliability (Fornell & Larcker, 1981; Hair, Black, Babin, & Anderson, 2010). The rationale for internal consistency is that the items of the same scale should all be measuring the same construct and thus be highly intercorrelated (Churchill, 1979; Nunnally, 1978). Internal consistency can also be measured by item-to-total correlations and inter-item correlations (Hair, Anderson, Tatham, & Black, 1998). In fact, researchers assert that coefficient alpha is an ambiguous and imperfect indicator of internal consistency because it essentially is a function of two parameters: the number of test items and the average intercorrelation (Clark & Watson, 1995; Cortina, 1993). Clark and Watson (1995) suggest using the straightforward item intercorrelation to examine scale internal consistency as the number of items will not influence the result. Therefore, all three factors, coefficient alpha, item-to-total correlations and inter-item correlations, will be examined for internal consistency of each of the measurement scales in the current study during initial measurement internal consistency test. In addition, as suggested by Hair et al. (1998), item-to-total correlations should exceed 0.50, Cronbach's alpha coefficient should exceed 0.70, and inter-item correlations should exceed 0.30. At the end of item purification process, composite reliability will be calculated to check the reliability of the construct. Composite reliability or construct reliability should be higher than .70 (Fornell & Larcker, 1981).

Reliability is necessary but not sufficient for construct validity (Churchill, 1979), and convergent validity, discriminant validity and nomological validity are also required to establish construct validity. Churchill (1979) argues that, to establish the construct validity of a measure, the analyst must also determine (1) "the extent to which the measure correlates with other measures designed to measure the same thing" (Churchill, 1979, p. 70), which is referred to as "convergent validity" of a measure (Churchill, 1979; Flynn & Percy, 2001; Peter, 1981), and (2) "whether the measure behave as expected" (Churchill, 1979, p. 70), which covers "discriminant validity" (Flynn & Percy, 2001; Peter, 1981) and "nomological validity" (Flynn & Percy, 2001; Peter, 1981) of a measure. Sin et al. (2002, p. 666) define discriminant validity as "the degree to which measures of conceptually distinct constructs differ". Researchers further argue that the constructs for testing discriminant validity to be conceptually similar, yet distinct (Heeler & Ray, 1972; Peter, 1981). Nomological validity refers to the

construct's ability to correlate as expected with other theoretically related constructs (Churchill, 1999; Flynn & Percy, 2001). Nomological validity of a construct requires that the construct is useful for making observable predictions derived from theoretical propositions (Peter, 1981).

In this study, convergent validity was assessed by using confirmatory factor analysis and the examination of the average variance extracted (AVE) of all the measures for their associated construct. To achieve convergent validity, AVE should be above .50 (Hair et al., 2010). The discriminant validity was assessed by comparing the AVEs of the two construct to the square of the correlation between the two constructs. To achieve discriminant validity, the AVEs of the two relevant constructs should be larger than the correlations between them. The nomological validity was examined through the test of the theoretical structural model and the comparison of the proposed structural model to the rival model.

5.4 Analytical method - structural equation modelling

All the three key constructs in the research model – the availability of the buyer's resources, the salesperson's relationship focus, and the financial performance of the relationship for the seller – are latent constructs measured by a list of reflective indicators. In addition, the salesperson's relationship focus is a higher-level (second-order) latent construct. Therefore, both the construct validity examination and conceptual model examination will require the use of structural equation modelling.

Structural equation modelling enables the simultaneous examination of a series of interrelated dependent relationships among a set of latent constructs, each measured by one or more manifest variables that are measures or indicators of the unobservable latent variable (Chin, Peterson, & Brown, 2008; Terblanche & Boshoff, 2008). In addition, it has the ability to account for measurement error in the estimation process (Hair et al., 1998). When used for testing construct validity, structural equation modelling has two primary advantages over the traditional methods, such as exploratory factor analysis and bi-variate correlations: it enables a test of the theoretical structure of the measurement instrument (i.e. the relationship of the construct to its measures), and the test of the relationships between the construct and other constructs without the bias that measurement errors introduce (Terblanche & Boshoff, 2008). Structural equation

modelling has been frequently used in marketing research for examining construct validity (Terblanche & Boshoff, 2008) and developing theory (Babin, Hair, & Boles, 2008).

In addition, the mediating effect of the availability of the buyer's resources on the relationship between the salesperson's relationship focus and the financial performance of the relationship for the seller will be examined. It is suggested that, when conducting tests for mediations, structural equation modelling outperforms regression analysis (Iacobucci, Saldanha, & Deng, 2007). The advantages include avoiding complications from measurement errors and the underestimation of mediation effects (Cheung & Lau, 2008).

5.5 Data collection

In this section, three issues are discussed, sampling selection criteria and sample frames, questionnaire design, and survey administration.

5.5.1 Sampling selection criteria and sample frames

The target population of the current research was the field business salespeople who were the key customer contacts in New Zealand. Salespeople were chosen to be the respondents and to report on their effort (which reflects the activity intensity) for a chosen customer with comparison to their efforts devoted to other customers they look after. Self-report is chosen as effort is not directly observable by managers or any other person. Sales researchers suggest that self-report evaluations are appropriate when responses can be confidential and when much of the salesperson's effort is not directly observable by others, such as the sales manager (Behrman & Perreault, 1982).

Two sample frames were used in the current research, one for mail survey and one for email survey. The email survey opportunity was identified through a business contact of the department after the mail survey was conducted. Email survey was also conducted because its cost was relatively low. The sample frame for the mail survey consisted of field salespeople from both manufacturing and service companies registered with Kompass. Only firms with more than 10 employees were included in the sample frame. The reason was to obtain more than one response from these companies as they might have more than one field business salesperson. The manufacturing companies selected were the companies registered as producers of plastic products, electrical products, plant

and machinery equipments, measurement and testing, packaging, rubber products for industrial users, metal fabrications. Services providers include software providers and engineering services providers. Overall 1150 companies were selected. On the list of these 1150 companies, 298 had the names of the sales managers or business development managers, and the rest 852 companies did not indicate that they had a sales manager.

The sample frame for the email survey comprised all the subscribers of NZ Sales Manager magazine, which is an e-magazine that is free to subscribe. There were around 3300 subscribers by the time of the survey and they were predominantly sales managers, salespeople, and business owners in New Zealand.

5.5.2 Questionnaire design

To avoiding obtaining skewed results, the questionnaire asked the respondents to select their 4th largest customer in terms of revenue as the subject of the questionnaire. If they didn't have four customers, they were advised to choose the customer who provided the lowest revenue to their firm as the subject. The selection of the 4th largest customer in terms of revenue was based on Baxter and Matear's (2004) study to avoid getting skewed results in the responses. The instruction was also intended to suggest that it was reasonable to devote very little effort to a particular customer relationship which had little business potential, so the respondents would not try to provide socially desirable responses.

To avoid getting socially desirable results, the respondents were also encouraged to use the link provided in the covering letter to do the survey online, and were informed that the online survey was anonymous. Researchers recommend that anonymity can help to reduce method biases through reducing respondents' evaluation apprehension and can make the respondents less likely to edit their responses in a way that is socially desirable and consistent with how they think the researcher wants them to respond (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003).

Regarding the length of the questionnaire, Dillman (2000) suggests that shorter questionnaires are more likely to be completed. Churchill (1999) (1999) argues that a questionnaire of four pages would not have a negative impact on mail survey response

rate. Thus the current questionnaire for the mail survey was controlled within four-page of length, and it used Arial font of size 8.

5.5.3 Survey administration

There were reasons why the current study chose two types of survey for obtaining responses: mail survey and an email survey. Both surveys were efficient and cost effective for data collection. Personal interview would be too expensive and time consuming to get enough responses. Telephone interview was also inappropriate because of the length of the questionnaire. Mail survey and email survey eliminated the potential interviewer biases, and respondents could do the survey at any time that was convenient for them. The key disadvantage was the low response rate.

Researchers suggest several ways to improve response rate of mail survey and several ways were implemented in the current research. Researchers recommend the use of pre-notification, follow-up and monetary incentive to improve response rate (e.g., Churchill, 1999; Dillman, 2000; Erdogan & Baker, 2002; Larson & Chow, 2003; Martin, Duncan, Powers, & Sawyer, 1989; Rogelberg & Stanton, 2007). It is also found that postage paid reply envelopes are needed for stimulating response rate (Greer, Chuchinprakarn, & Seshadri, 2000). The current research provided a prize draw of \$100 petrol voucher, and a FreePost envelope in the survey package for the respondents to mail back the questionnaire. A reminder was sent out to the potential respondents after two weeks of the initial mailing. In addition, an online survey link was provided as an alternative way of responding. The link was provided also because some respondents might have misplaced the questionnaire.

A total of 1150 questionnaires were mailed out early July to the managers if their names were available or to the Sales Manager if the name of the sales manager was not available. Each survey package included a covering letter, an information sheet, a consent form, a questionnaire and a FreePost envelope for returning the mail. The covering letter also stated that the respondents would have a chance to win a prize draw of \$100 petrol voucher and asked the respondents to return the questionnaire before 31st of July.

After the mail survey was conducted, it was identified that, among the network

relationships of the marketing and advertising department of AUT Business and Law school, there was an organisation called Espire Media Ltd., who was running NZ Sales Manager e-magazine and had a subscriber database of around 3024 sales professionals in New Zealand. The magazine was free to subscribe. The subscribers were predominantly sales managers, salespeople and business owners in New Zealand, and thus were representative of the sales professional population of the current research. Espire Media was very interested in the current research and provided help with the email survey.

Therefore, the email survey was conducted on the 1st of September and the online survey link was emailed to all the subscribers of NZ Sales Manager e-magazine through Espire Media Ltd. To improve the response rate, it was mentioned in the email that the key findings of the research would be published in NZ Sales Manager, and the respondents would have a chance to win a prize draw of \$100 petrol voucher, which they might donate to their charity of choice. The email also mentioned that the online survey would close on the 20th of September.

5.6 Data analysis strategy

The section outlines the data analysis strategy to analyse the responses to this survey. The selection of an appropriate data analysis strategy should take into account the research problem and the properties of statistical techniques, especially the purpose and underlying assumptions of the techniques (N. K. Malhotra, 2010).

The research problem is to identify how salesperson's relationship focus (reflected in the intensity of a set of relationship activities) influences the availability of the buyer's resources and the relationship performance for the seller. Based on the literature review and the qualitative research, a conceptual model addressing this problem was developed. Multivariate analysis was needed to validate the model.

There are a number of assumptions about multivariate analysis techniques such as structural equation modelling. The first assumption is normality, which is the correspondence of the response distribution to the normal distribution curve. The second assumption is that linear relationships existed amongst the items measured. Therefore, data normality will be checked first and correlation analysis will be used for examining

whether linear relationships existed amongst the items measured. Data will also be checked for outliers and missing data will be examined at this stage. The validation process is provided in Table 5-6.

Table 5-6 Model validation process

Steps	Analysis
1. Checking assumptions of multivariate analysis	1) Normality, initial correlation analysis 2) Outliers, missing data examination
2. Assessing reliability for each construct	1) Initial coefficient alpha, item-to-total correlations, and inter-item correlations. 2) Purification of the items – deleting items with low item-to-total correlations, low inter-item correlations and low standardised factor loadings, ensuring the items retained are unidimensional. 3) Checking final construct reliability
3. Assessing convergent and discriminant validity	Checking variance extracted by the items retained.
4. Assessing nomological validity of the structural model	Evaluate two alternative models, one with all the six activity constructs in direct relationship with the focal construct and the outcome construct, and the other with all the six activity constructs presented as the first-order factors of the second-order factor of relationship focus, which has direct relationship with the focal construct and the outcome construct.
5. Mediation effect examination	Examining the mediation effect of the availability of the buyer's resources
6. Moderating effect testing	Examining the moderating effect of the buyer's firm size through splitting the sample into two groups and conducting multi-group structural equation modelling analysis

As shown in Table 5-6, after the checking of assumptions, four aspects of construct validity needs to be examined: reliability, convergent validity, discriminant validity and nomological validity. The fifth step involves the testing of the mediation effect of the availability of the buyer's resources. Finally, the moderating effect of buyer's firm size will be tested through multi-group structural equation modelling analysis to see whether the potential size of the resources of the buyer accessible to the relationship has any moderating effect on the relationship between salesperson's relationship focus level and

the performance of the relationship for the seller. The sample will be split into two groups based on the buyer's employee number reported by the respondents and the path coefficient from salesperson's relationship focus to the performance of the relationship for the seller will be checked in multi-group structural equation modelling analysis.

SPSS 17.0 is used to compute some exploratory analysis such as descriptive statistics, correlations, assess missing data as well as outliers, and reliability statistics. AMOS 17.0 is used for assessing the measurement validity and testing the research model.

5.6.1 Screening of the data

The screening of data involved additional coding for the open-ended responses and the treatment of missing data. All the questionnaires were numbered so that manual check could be done later for data entry accuracy. SPSS was used to examine the missing data pattern and to calculate the Z-scores for finding out whether there were any univariate outliers. Responses with missing data and Z-scores above 3.5 were checked manually for the accuracy of their data entry. No data entry error was found. Missing data were analysed in SPSS to see if data were missing completely at random or not, and the relevant missing data treatment was used, which is discussed in detail in the data analysis chapter.

5.6.2 Methods and criteria used for measurement validation

Spss 17.0 was used for computing coefficient alpha, inter-item correlation and item-total correlation. AMOS 17.0 was used for estimating both the measurement model and the structural model. Based on Hair et al. (2010), several criteria were used together for establishing construct validity: (1) standardised loading estimates should be .5 or higher, and ideally .7 or higher; (2) to achieve convergent validity, AVE should be .5 or greater; (3) to achieve discriminant validity, AVE estimates for two factors should be greater than the square of the correlation between the two factors; (4) construct reliability should be .7 or higher to indicate adequate internal consistency, and inter-item correlation should be higher than .30, and item-to-total correlation should be higher than .50.

Regarding the fit indices, Hair et al. (2010) suggest that researchers should report at least one incremental index and one absolute index, in addition to the chi-square value and the associated degrees of freedom. Absolute indices include chi-square χ^2 statistic,

goodness-of-fit index (GFI), and root mean square error of approximation (RMSEA). When chi-square χ^2 statistic is used as a GOF (goodness-of-fit) measure, low χ^2 values indicates no differences between matrices, thus the model is representative of the data. Researchers can also use normed chi-square – the simple ratio of χ^2 to the degrees of freedom (df) for examining the absolute fit of the model. A χ^2 /df ratio of 3:1 or less are associated with better-fitting models. GFI was an early attempt to produce a fit statistic, and the usual cut-off values used are .90 or .95. RMSEA represents how well a model fits a population, not just a sample used for estimation, and takes into account for both model complexity and sample size. Lower RMSEA values indicate better fit.

Different from absolute fit indices, incremental fit indices assess how well the estimated model fits relative to some alternative baseline model, such as a null model, which assumes that all observed variables are uncorrelated (Hair et al., 2010). Three incremental fit indices are reported in the current study: Bentler and Bonett's (1980) normed fit index (NFI), Tucker Lewis Index (Tucker & Lewis, 1973), Bentler's (1990) comparative fit index (CFI). The NFI is the ratio of the difference in the χ^2 value for the fitted model and a null model divided by the χ^2 value for the null model. The TLI is a comparison of the normed chi-square values for the null and specified model, thus to some degree takes into account model complexity. It is not normed, and thus its values can fall below 0 or above 1, and values approach 1 indicates good model fit. NFI has shown a tendency to under-estimate fit in small samples, Bentler (1990) thus proposes the CFI to take into account of sample size. It is normed and values above .90 are usually associated with a model that fits well.

The current study chose three indices for examining the fit of the measurement models and the structural models: (1) normed chi-square value (χ^2 /df), (2) CFI, and (3) RMSEA. Two of these indices are absolute fit indices (i.e., chi-square value and RMSEA), and one is incremental index (i.e., CFI). The cut-off point for normed chi-square value should be 3 or less; RMSEA should be less than .08; and CFI above .90 are usually associated with a model that fits well (Hair et al., 2010). GFI, Bentler and Bonett's (1980) normed fit index (NFI) and TLI values are also provided as an indication of the model fit. In addition, Hair et al. (2010) suggest that when comparing models of varying complexity, parsimony normed fit index (PNFI) can be included. Thus, PNFI was reported in the current study when the rival model was compared with the proposed

structural model.

Akaike's (1987) information criterion (AIC) and Bozdogan's (1987) consistent version of AIC (CAIC) were also included for assessing the relative levels of parsimony of the models in the current research. CAIC takes into account of sample size (Bandalos, 1993) and assigns a greater penalty to model complexity than AIC (Byrne, 2001). Both can be used for comparing models' in terms of their level of parsimony, and smaller values represent a better fit of the hypothesised model.

In addition, standardised residuals were always checked first in measurement model examination process if the fit indices indicated that there was a problem. Items with standardised residuals greater than $|4.0|$ were the first to be examined for deletion. Items with standardised residuals between $|2.5|$ and $|4.0|$ were also checked immediately for their loadings and modification indices if the fit indices showed that the model was lack of fit. Items with low loadings and high modification indices suggest that the model fit could be improved through deleting the items. However, before deleting any item, the content validity was examined first to make sure that the deletion of the item would not lead to any major loss of or change in the conceptual domain of the construct.

5.7 Conclusion

This chapter discussed the key issues for the quantitative phase of the current research. Four key aspects of construct validity need to be examined for the constructs: reliability, convergent validity, discriminant validity and nomological validity. It also clarifies the data analysis process for the quantitative research, what data analysis should be done and what methods and software would be used for examination. The details of data analysis process and results are discussed in the next chapter.

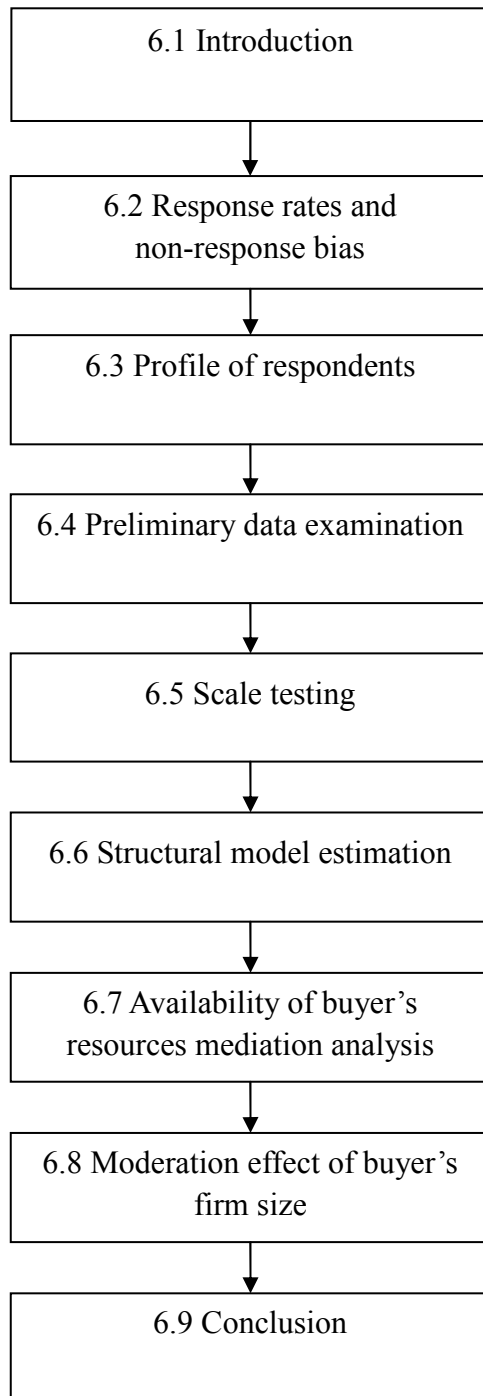
6 Quantitative data analysis

6.1 Introduction

This chapter presents the data analysis results of the quantitative phase of the current research. This quantitative phase of research examines the construct validity of the salesperson's relationship focus and the availability of the buyer's resources measures and tests the research model proposed earlier in chapter 4.

The chapter outline is provided in Figure 6-1. After introduction, response rates and non-response bias are discussed, followed by the brief description of the respondents and relationships in the sample. It then presents the preliminary examination of the data. After that, the scale testing is discussed, followed by the structural model estimation. The mediation effect of the availability of the buyer's resources is then examined, followed by the investigation of the moderation effect of the buyer's firm size. Finally, a conclusion is provided for the chapter.

Figure 6-1 Chapter outline



6.2 Response rates and non-response bias

In this section, the response rates for both the mail and email surveys are presented, and the non-response bias are examined. Finally, the difference between mail and email survey are computed.

6.2.1 Response rate for the mail survey

Overall, 116 valid responses were received from the 1155 mail-outs. Among these 116 responses, 25 were received from the online survey and 91 were in mail. Some mails have been returned for different reasons. Among the returned mails, 23 were returned because of the wrong address, the person had left the company or wrong person. Fourteen were returned because there were no salespeople in their company or they had stopped operating. Therefore, the response rate is 10.2 percent and details are provided in Table 6-1.

Table 6-1 Response rate calculation details

Item	Numbers of questionnaires
Overall mail-outs	1155
Wrong address or wrong person or person had left	23
No salesperson in the company or business stopped operating	14
Overall valid mail-outs	1118
Overall valid responses received	116
Response rate	10.2%

6.2.2 The response rate for the email survey

As mentioned earlier, after the mail survey was conducted, it was found that there was a database for the sales professionals in New Zealand from Espire Media Ltd, who ran the NZ Sales Managers e-magazine. The magazine was free to subscribe and there were 3024 subscribers by the time of the email survey. According to the email tracking record from Espire Media Ltd., 926 of the subscribers opened the email. However, there were only 114 unique clicks on the link to the survey. Overall 59 valid responses were

received from these 114 unique clicks. Thus, 2.0 percent of the subscribers who were supposed to have received the email responded. For the subscribers who opened the email, 6.4 percent of them responded, and for those who viewed the survey 51.8 percent completed it.

6.2.3 Non-response bias

Non-response bias was examined by the independent-samples *t* test of the early one third of the responses and later one third of the responses as suggested by Armstrong and Overton (1977). All the 52 indicators for the salesperson's activity constructs, availability of buyer's resources and financial performance construct were tested. One indicator showed significant difference between early and late response at 0.001 level (2-tailed) (identify solution – which was an indicator for “selling” dimension of salesperson's relationship focus). Four indicators showed significant difference at $p < .05$ level (2-tailed). Two indicators were for “customer contact”: “keep in regular business contact with buyer”, “socialise with buyer”. The remaining two indicators were “prompt service” for “service”, and “generate creative solution” for “selling”.

Independent-samples *t* test and chi-square test were then performed to check the demographic variables of the relationship and the salesperson. No significant difference was found between early and late responses in terms of the salesperson's years of experience in the seller's firm, the salesperson's years of experience in the offering, the customer's industry type, the customer's firm size and the seller's revenue. Therefore, it is concluded that the differences in response, while significant, are not due to systematic differences in the relationships constituting the sub-samples, and the responses can be analysed together.

6.2.4 Difference between mail and online survey responses

An independent-samples *t* test was performed to check the difference between the mail and online survey responses. Overall 11 indicators were found significantly different at $p < .05$ level (2-tailed). Eight indicators were for “selling”: “identify opportunity

through thinking”, “identify opportunity through discussion”, “clarify buyer’s requirement”, “identify solution”, “generate creative solution”, “plan how to approach buyer, consider how to communicate”, and “clarify value of the offering”. Two items were for “service”: “build third party relationship for serving buyer” and “prompt service” and one item was for “customer contact”: “socialise with buyer”. The mean values of these items for mail responses and online responses are provided in Table 6-2. As shown in Table 6-2, the mean scores for the above indicators were higher for the online responses than for the mail survey responses. Among these 11 indicators, two indicators were found significantly different at $p < .001$ level (2-tailed), and another two indicators were significantly different at $p < .01$ level (2-tailed).

Table 6-2 Mean values of the items with significant difference

Items	Mean for mail responses	Mean for online responses
Identify opportunity through thinking	5.15	5.62
Identify opportunity through discussion	5.18	5.55
Clarify buyer’s requirement	5.23	5.76
Identify solution	5.00	5.73
Generate creative solution	5.20	5.84
Plan how to approach buyer	4.82	5.35
Consider how to communicate	5.11	5.57
Clarifying value of the offering	5.30	5.71
Build third party relationship for serving buyer	3.83	4.31
Prompt service	5.99	6.27
Socialise with buyer	3.42	4.08

Independent-samples t test and chi-square test were then performed to check the demographic variables of the relationship and the salesperson. No significant difference was found between mail and online survey responses in terms of the salesperson’s years of experience in the seller’s firm, the salesperson’s years of experience in the offering, the customer’s industry type, the customer’s firm size and the seller’s revenue.

Therefore, it is concluded that the differences in response, while significant, are not due to systematic differences in the relationships constituting the sub-samples, and the responses can be combined and analysed together.

6.3 Profile of respondents

This section presents data showing respondents' positions in their firms, their years of sales experience and length of relationship with the customer, customer's and seller's firm sizes, and the mix of product and service in the seller's offering.

Table 6-3 showed the respondent's positions in their companies. As shown in the Table, 53.2 percent of the respondents were sales managers, account managers or business development managers, and 27.5 percent of the respondents were general managers, directors, chief executives or business division manager. Around six percent of the respondents were sales representatives, sales consultant or consultant. Seven percent of the respondents were product specialists, product managers, chief technical officers, or operational managers. Around three percent were brand managers, marketing managers or commercial managers, and three and a half percent were sales support personnel. Therefore, the respondents were personally involved with dealing with the customer, and thus were suitable for the current research.

The salesperson's years of sales experience in the seller firm and the salesperson's experience with selling the product are presented in Table 6-4. As shown in the Table, 54.3 percent of the respondents had more than five years sales experience in the seller firm. In contrast, 72.9 percent of the respondents had more than five years experience with selling the product. The median for the years of sales experience in the seller firm was six years, and the median for the years of experience with selling the product was 10 years. Therefore, before the respondents joined the seller company, they had had some experience in selling the product, and half of the respondents already had 10 years or above experience in selling the product that they were selling to the chosen customer. Overall, the results showed a good distribution in terms of the respondents' years of

sales experience in the seller firm and their years of experience with the product. This helps the generalisation of the findings.

Table 6-3 Respondent's positions in the company

Job titles	Numbers	Percentage
Sales manager or account manager or business development manager	91	53.2
General manager, director, chief executive or business division manager	47	27.5
Sales representative, sales consultant or consultant	10	5.8
Product specialist, product manager, chief technical officer, or operational manager	12	7.0
Brand manager, marketing manager, or commercial manager	5	2.9
Sales support or information centre manager or office manager or sales and marketing officer or sales administrator	6	3.5
Total	171	100
Positions not given	4	

Table 6-4 Salesperson's experience

Years of sales experience in the seller firm	Numbers of responses	Percentages	Years of experience with the product	Numbers of responses	Percentages
<=1 year	16	9.2	<=1 year	3	1.7
1<year<=2	18	10.4	1<year<=2	11	6.4
2<year<=5	45	26.0	2<year<=5	33	19.1
5<year<=10	53	30.6	5<year<=10	43	24.9
10<year<=15	13	7.5	10<year<=15	17	9.8
15<year<=20	8	4.6	15<year<=20	29	16.8
>20 years	20	11.6	>20 years	37	21.4
Total	173	100.0	Total	173	100.0
Missing	2		Missing	2	
Median	6 years		Median	10 years	

The length of the relationship the salesperson had with the customer and the years of the

relationship the seller had with the customer are presented in Table 6-5.

Table 6-5 Length of relationship with the customer

Years of salesperson-customer relationship	Numbers of responses	Valid percentages	Years of seller-customer relationship	Numbers of responses	Valid percentages
<=1 year	26	15.0	<=1 year	3	2.7
1<year<=2	24	13.9	1<year<=2	6	3.5
2<year<=5	60	34.7	2<year<=5	52	30.4
5<year<=10	37	21.4	5<year<=10	50	29.2
10<year<=15	12	6.9	10<year<=15	24	14.0
15<year<=20	8	4.6	15<year<=20	11	6.4
>20 years	6	3.5	>20 years	20	11.7
Total	173	100.0	Total	171	100.0
Missing	2		Missing	4	
Median	4 years		Median	8 years	

As indicated in the Table, customer's relationship with the seller tended to be longer than that with the salesperson. Around 29 percent of the respondents had two years or less years of relationship with the customer, and overall more than 63.6 percent of the respondents had 5 years or less years of relationship with the customer. On the other hand, 60.3 percent of the customers had a relationship with the seller firm for more than five years. The median of the length of relationship between the salesperson and the customer was 4 years, which were much shorter than the length of relationship between the customer and the seller firm, which was 8 years. Therefore, for the majority of the responses, there was an ongoing relationship between the buyer and the seller firm in the responses, and thus the data was suitable for the current research. In addition, the distribution of the lengths of the relationships helps the generalisation of the findings.

Customer's and seller's firm sizes in terms of employee number are presented in Table 6-6. As shown in the Table, 56.1 percent of the customer's company had more than 50 employees. On the other hand, 60.3 percent of the seller's companies had 50 or less employees. The results suggest that more than half of the customers in the relationships

reported have a good level of resources for co-creation, provided that the seller or the salesperson is good at finding the opportunities and engaging the customer in the co-creation.

Table 6-6 Customer's and seller's firm sizes

Customer's employee number	Numbers of responses	Valid percentages	Seller's employee number	Numbers of responses	Valid percentages
20 or less	44	25.7	20 or less	63	36.2
21 to 50	31	18.1	21 to 50	42	24.1
51 to 100	22	12.9	51 to 100	20	11.5
101 to 250	24	14.0	101 to 250	16	9.2
Above 250	50	29.2	Above 250	33	19.0
Total	171	100.0	Total	174	100.0
Missing	4		Missing	1	
Total				171	100
Missing				4	

The product/service mix of the seller's offering is provided in Table 6-7. Overall 44.5 percent of the respondents' companies' offerings tended to be more product oriented, 27.7 percent of the offerings had an equal mix of product and service, and 27.7 percent of the offerings are more services oriented. This distribution helps the generalisation of the findings.

Table 6-7 Product/service mix of the seller's offering

Product/service mix level	Numbers	Valid percentage
More product than service	77	44.5
An equal mix of product and service	48	27.7
More service than product	48	27.7
Total	173	100
Missing	2	

6.4 Preliminary data examination

The basic characteristics of the data were examined first to obtain a good understanding

of the relationships underlying the data. The outliers, missing data, descriptive statistics, and normality of the variables were examined in turn. Finally, a correlation analysis was performed between the measurement items to check whether there were sufficient significant linear relationships between the relevant items for conducting structural equation modelling analysis.

6.4.1 Descriptive statistics and the normality of the data

The examination of the normality of the data is important as the extent to which the data is non-normal influences the choice of estimation method in structural equation modelling analysis. The shapes of the distributions of the 52 items included in the questionnaire as measures of the six first-order salesperson's relationship activities, buyer's resources available to the seller, and financial performance of the relationship for the seller were examined. The descriptive statistics of the 52 variables are provided in Table 6-8. The detailed descriptions of questionnaire items are provided in Appendix 6.1.

As shown in Table 6-8, the mean values of the 52 key variables on the 7-point scale ranged from 3.24 to 6.12. The standard deviation values ranged from 0.9 to 1.9. This level of variance in the responses is sufficient for structural equation modelling analysis. The kurtosis and skewness values were also computed. The highest kurtosis value was 1.78 for "needs identification". That item also had the highest skewness value of 1.07. Curran, West and Finch (1996) find that moderate level of nonnormal data, with univariate skewness above 2.0 and kurtosis above 7.0, can result in a significantly inflated chi-square in confirmatory factor analysis using maximum likelihood (ML) estimation, causing a corrected specified model being rejected (i.e., Type I error). At low skewness and kurtosis levels, below these cut-off points, Curran et al. (1996) suggest the ML estimation procedure can be used. ML estimations are in fact robust to moderate violations of the normality assumptions provided that the sample size exceeds about 100 according to Steenkamp and van Trijp (1991, p. 285). This study's data had low skewness and kurtosis levels as noted above and sample size was greater than 100,

so it appeared suitable for ML estimation.

Table 6-8 Descriptive statistics

Construct	Item label	Mean	Std. Deviation
Learning about the seller's resources	Understand seller's offering	5.27	1.34
	Understand seller's resources	5.30	1.34
	Keep abreast of seller's development	5.23	1.32
Learning about the buyer	Keep abreast of buyer's development	4.97	1.41
	Understand buyer's business	5.37	1.20
	Understand buyer's long-term needs	5.42	1.16
	Understand buyer's value creation mechanism	5.60	1.21
	Understand buyer's individuals' job role	5.39	1.19
Customer contact	Understand buyer's political issues	4.82	1.39
	Build multiple relationships with buyer	5.35	1.18
	Keep in regular business contact with buyer	5.11	1.31
	Socialise with buyer	3.74	1.73
Service	Checking customer satisfaction	5.38	1.30
	Prompt service	6.12	0.90
	Supply information to buyer	6.00	0.94
	Build internal relationship for serving buyer	5.22	1.30
	Build third party relationship for serving buyer	4.06	1.56
Selling	Forecast profit	4.33	1.64
	Identify new product ideas	4.58	1.52
	Identify buyer's needs	5.62	1.14
	Identify opportunity through thinking	5.38	1.26
	Identify opportunity through buyer discussion	5.36	1.24
	Clarify buyer's requirement	5.49	1.24
	Identify solution	5.34	1.37

Table 6-8 Descriptive statistics (continued)

Construct	Item label	Mean	Std. Deviation
Selling	Generate creative solution	5.51	1.24
	Plan how to approach buyer	5.07	1.39
	Consider how to communicate	5.33	1.21
	Clarify value of the offering	5.49	1.12
Coordination	Obtain internal resources for buyer	5.07	1.35
	Persuade manager to invest in relationship	4.80	1.52
	Discuss selling strategies with others	4.65	1.55
	Plan objectives to be reached together	4.82	1.32
	Share objectives with others	4.64	1.43
	Carry out objectives with others	5.02	1.35
	Work with others to ensure satisfaction	5.26	1.29
	Coordinate with others to solve problems	5.27	1.31
	Manage cost	4.46	1.52
Buyer's resources	Buyer's useful information	4.73	1.35
	Buyer's expertise	4.27	1.43
	Buyer's innovative ideas	3.86	1.61
	Buyer's relationship investments	3.62	1.74
	Buyer's joint work with seller	3.54	1.73
	Buyer's physical facilities	3.54	1.77
	Buyer's money	3.44	1.90
	Buyer's organisational resources	3.24	1.77
	Buyer's third party relationships	3.38	1.65
	Buyer's future developmental plans	3.98	1.67
Financial performance	Achieving sales targets	4.98	1.34
	Share of business	4.94	1.29
	Cross-selling	4.67	1.46
	Margin	4.18	1.38
	Economic use of seller's resources	4.37	1.45

6.4.2 Outlier

The z-scores for detecting univariate outliers, and the Mahalanobis distances for detecting multivariate outliers were computed. Hair et al. (1998) suggest that when the

sample size is larger than 80, which was true for this study, the guidelines for identifying outliers should be at absolute z-scores of 3 to 4. Only one absolute z-score was above 4 at 4.05. The case was retained as there is no sufficiently large number of high absolute scores in the response to consider it as an outlier.

The Mahalanobis d-squared ranged from 45.70 to 122.35 when all the 52 variables were examined. With the degree of freedom of 51 in this study, the maximum d-squared/df was 2.40 ($=122.35/51$), which was lower than the threshold of 3.5 or 4 for detecting multivariate outliers for sample sizes larger than 100 (Hair et al., 2010, p. 70). Thus no case was considered as an outlier at multivariate level.

6.4.3 Missing data

Missing data were examined. The missing patterns were computed by using the SPSS missing value analysis procedure. There were 15 cases that had a total of 23 values missing. Twelve out of these 15 cases had only one value missing. The other three cases had two, four and five values missing. When variables were examined, seven variables had two values missing and the remaining nine missing values occurred in the other nine variables.

The overall number of missing value was low, thus all the cases were retained. As there were cases with four and five values missing, the values could not be considered as missing at random, so there was a need to find a way to replace these missing values. The scanning of the data did not find any other cases that had enough common values as the cases with missing value. Thus the case substitution method (Hair et al., 2010) could not be used for replacing the missing values. Regression imputation was used for imputing the value for the missing values. As this method assumes that the variable with missing data has substantial correlations with the other variables (Hair et al., 2010), manifest variables for measuring the same construct were used for calculating the regression mean for missing value. The disadvantage of this method is that it reinforces the relationships already in the data (Hair et al., 2010). However, with such a low level

of missing value, the impact should be minimal.

6.4.4 Suitability for structural equation modelling analysis

The last stage in the preliminary analysis was to check whether the level of correlation in the data was sufficient for conducting structural equation modelling analysis. The correlations between the measurement variables of antecedent constructs (i.e., activities) and the focal construct (i.e., the availability of the buyer's resources), and between the measurement variables of antecedent constructs and the outcome construct (i.e., financial performance of the relationship for the seller) was checked first. The summated scale of the availability of the buyer's resources and the summated scale of financial performance were computed. Then the correlation analysis was performed between the measurement variables of activity constructs and the two summated scales. The results are provided in Table 6-9. Afterwards, the correlation analysis was performed between the measurement variables of the focal construct (i.e., the availability of the buyer's resources) and the summated scale of financial performance. The results are also presented in Table 6-9.

Table 6-9 Correlations between activity items and focal and outcome constructs

Pearson correlations			
Construct	Items	Buyer's resources	Performance
Learning about the seller's resources	Understand seller's offering	0.291**	0.446**
	Understand seller's resources	0.272**	0.351**
	Keep abreast of seller's development	0.330**	0.278**
Learning about the buyer	Keep abreast of buyer's development	0.328**	0.283**
	Understand buyer's business	0.358**	0.422**
	Understand buyer's long-term needs	0.325**	0.303**
	Understand buyer's value creation mechanism	0.260**	0.370**
	Understand buyer's individuals' job role	0.268**	0.240**

Table 6-9 Correlations between activity items and focal and outcome constructs
(continued)

Pearson correlations			
Construct	Items	Buyer's resources	Performance
Learning about the buyer	Understand buyer's political issues	0.273**	0.239**
Customer contact	Build multiple relationships with buyer	0.340**	0.283**
	Keep in regular business contact with buyer	0.307**	0.247**
	Socialise with buyer	0.371**	0.297**
Service	Checking customer satisfaction	0.362**	0.439**
	Prompt service	0.257**	0.328**
	Supply information to buyer	0.287**	0.327**
	Build internal relationship for serving buyer	0.334**	0.349**
	Build third party relationship for serving buyer	0.464**	0.334**
Selling	Forecast profit	0.306**	0.303**
	Identify new product ideas	0.435**	0.411**
	Identify buyer's needs	0.399**	0.339**
	Identify opportunity through thinking	0.375**	0.438**
	Identify opportunity through buyer discussion	0.375**	0.501**
	Clarify buyer's requirement	0.326**	0.439**
	Identify solution	0.316**	0.367**
	Generate creative solution	0.414**	0.390**
	Plan how to approach buyer	0.384**	0.379**
	Consider how to communicate	0.326**	0.460**
	Clarify value of the offering	0.332**	0.375**
Coordination	Obtain internal resources for buyer	0.388**	0.454**
	Persuade manager to invest in relationship	0.345**	0.314**
	Discuss selling strategies with others	0.481**	0.352**
	Plan objectives to be reached together	0.433**	0.368**
	Share objectives with others	0.475**	0.329**

Table 6-9 Correlations between activity items and focal and outcome constructs
(continued)

Pearson correlations			
Construct	Items	Buyer's resources	Performance
Coordination	Carry out objectives with others	0.392**	0.300**
	Work with others to ensure satisfaction	0.403**	0.325**
	Coordinate with others to solve problems	0.324**	0.328**
	Manage cost	0.509**	0.340**
Buyer's resources	Buyer's useful information	-	0.469**
	Buyer's expertise	-	0.493**
	Buyer's innovative ideas	-	0.473**
	Buyer's relationship investments	-	0.473**
	Buyer's joint work with seller	-	0.451**
	Buyer's physical facilities	-	0.267**
	Buyer's money	-	0.376**
	Buyer's organisational resources	-	0.415**
	Buyer's third party relationships	-	0.476**
	Buyer's future developmental plans	-	0.476**

**Correlation was significant at $p < .01$ level (2-tailed)

As shown in Table 6-9, salesperson's activity measurement variables were significantly correlated with the summated scale of the availability of the buyer's resources and the summated scale of financial performance of the relationship for the seller at $p < .01$ level (2-tailed). Similarly, all the measurement variables of the availability of the buyer's resources were significantly correlated with the summated scale of financial performance at $p < .01$ level (2-tailed). These results showed that the levels of correlation among the data were suitable for assessing measurement model and research model through structural equation modelling analysis.

6.5 Scale testing

As discussed in Chapter 5, four aspects of construct validity need to be examined: reliability, convergent validity, discriminant validity and nomological validity. The initial internal consistencies of the questionnaire items for the six activity constructs were examined first and coefficient alphas, item-to-total correlations, and inter-item correlations were computed. In addition, the standardised factor loadings of each questionnaire item on the construct they intended to measure were examined. Items with low item-to-total correlation, inter-item correlation, and low standardised factor loadings were the candidates for deletion. After item purification, the reliabilities of the constructs were examined. Then the convergent validity and discriminant validity of the constructs were checked.

While the above construct validity checking was done mainly through the examination of the measurement models of the current research, the nomological validity of the constructs was tested through the examination of the structural model of the current research. SPSS 17.0 was used to compute initial coefficient alpha, inter-item correlation, item-to-total correlation for the questionnaire items, and AMOS 17.0 was used to obtain the initial standardised loadings of the questionnaire items on the constructs they were intended to measure and to test the measurement models and the structural model of the current research. In addition, as discussed in the chapter 5, a list of criteria was used for this stage of assessment, and the criteria are summarised in Table 6-10.

Table 6-10 Criteria for scale testing

Criteria	Acceptable fit
Coefficient α	>.70
Inter-item correlation	>.30
Item-total correlation	>.50
Standardised residual	< 4.0 , items with standardised residuals of 2.5 to 4.0 would be examined first for their modification indices and loadings

Table 6-10 Criteria for scale testing (continued)

Criteria	Acceptable fit
Item loading	>.50 if there are more than three indicators for the construct, and ideally >.70
Construct reliability	>.70
Normed Chi-square	<3
Comparative Fit Index (CFI)	>.90
RMSEA	<.08
For convergent validity	Average variance extracted (AVE) >.50
For discriminant validity	AVEs for the two factors > The square of the correlation between the two factors
Parsimony normed fit index (PNFI), Akaike's information criterion (AIC), and consistent version of AIC (CAIC)	For comparing competing models with the proposed structural model

6.5.1 Scale for salesperson's relationship focus

In this section, the scales of the six dimensions of salesperson's relationship focus were examined. The initial internal consistency results and the standardised factor loadings of the questionnaire items for the six activity constructs were computed first. The results are summarised in Table 6-11.

As shown in Table 6-11, coefficient alphas for all the six activity constructs are above the recommended .70 threshold. Two pairs of items showed inter-item correlation less than the recommended .30. These three pairs were: (1) "checking customer satisfaction" and "build third party relationship for serving buyer", and both were for measuring "service", (2) "persuade manager to invest in relationship" and "carry out objectives with others", and both were for measuring "coordination". In addition, two items showed item-to-total correlation less than .50: "socialise with buyer" for measuring "customer contact", and "checking customer satisfaction" for measuring "service". In terms of standardised factor loadings, 15 items had loadings less than .70. The items were thus the candidates for deletion. The item purification was done through examination of the measurement model, which is discussed next.

Table 6-11 Initial item loadings and internal consistency of the activity constructs

Construct	Item label	Coefficient α	Lowest inter-item correlation	Item-to-total correlation	Std. factor loading	<i>t</i>-value
Learning S	Understand seller's offering	.79	.51	.72	.90	a
	Understand seller's resources		.44	.67	.79	11.46
	Keep abreast of seller's development		.44	.51	.56	7.89
Learning B	Keep abreast of buyer's development	.86	.38	.52	.54	7.23
	Understand buyer's business		.40	.68	.79	10.06
	Understand buyer's long-term needs		.38	.71	.83	10.81
	Understand buyer's value creation mechanism		.38	.70	.77	a
	Understand buyer's individuals' job role		.40	.60	.61	8.60
	Understand buyer's political issues		.42	.64	.66	9.55
Contact	Build multiple relationships with buyer	.75	.42	.63	.84	a
	Keep in regular business contact with buyer		.40	.60	.80	10.39
	Socialise with buyer		.40	.44	.49	6.23
Service	Checking customer satisfaction	.82	.28	.49	.55	a
	Prompt service		.38	.67	.85	8.21
	Supply information to buyer		.38	.63	.81	7.74
	Build internal relationship for serving buyer		.45	.69	.67	8.18
	Build third party relationship for serving buyer		.28	.51	.51	6.89
Selling	Forecast profit	.93	.30	.50	.51	6.76
	Identify new product ideas		.36	.62	.62	8.32
	Identify buyer's needs		.36	.74	.79	10.31

Table 6-11 Initial item loadings and internal consistency of the activity constructs (continued)

Construct	Item label	Coefficient α	Lowest inter-item correlation	Item-to-total correlation	Std. factor loading	<i>t</i>-value
Selling	Identify opportunity through thinking		.45	.79	.85	11.03
	Identify opportunity through buyer discussion		.42	.77	.83	10.81
	Clarify buyer's requirement		.30	.71	.76	9.75
	Identify solution		.41	.74	.77	9.79
	Generate creative solution		.34	.67	.70	9.13
	Plan how to approach buyer		.38	.71	.73	a
	Consider how to communicate		.41	.69	.69	8.90
	Clarify value of the offering		.34	.72	.73	9.56
Coordination	Obtain internal resources for buyer	.89	.37	.65	.66	8.31
	Persuade manager to invest in relationship		.29	.59	.61	7.40
	Discuss selling strategies with others		.39	.66	.70	8.01
	Plan objectives to be reached together		.37	.69	.76	8.37
	Share objectives with others		.40	.68	.76	8.33
	Carry out objectives with others		.29	.61	.68	7.77
	Work with others to ensure satisfaction		.36	.63	.66	8.10
	Coordinate with others to solve problems		.37	.63	.67	a
	Manage cost		.37	.56	.60	7.16

Note: Learning S- learning about the seller's resources, Learning B – learning about the buyer, Contact – customer contact. a – The loading was set as 1 for estimation, thus there is no *t*-value.

6.5.1.1 Salesperson's relationship focus measurement model

The initial fit indices of the measurement model of the salesperson's relationship focus showed a poor fit. The normed chi-square was 2.407. However, CFI was .788, RMSEA was .090, GFI was .685, NFI was .689, and TLI was .771. Following the criteria set earlier in Table 6-10, the items with low loadings, low inter-item correlation, and low item-to-total correlation were checked first for their content validity. Then items with high standardised residuals and high modification indices were examined for their content validity before they were deleted. The item purification process tried to avoid any major loss of the content validity of the relevant constructs. Some items with low standardised factor loadings were retained for their content validity if their deletion would not lead to a much better fit of the measurement model. Overall, 15 items were deleted, and 22 were retained. The final fit indices showed an acceptable fit. The normed chi-square was 1.872, CFI was .921, RMSEA was .071, GFI was .845, NFI was .846, and TLI was .905. The items being retained and deleted during the purification process are discussed next.

No items were deleted for two dimensions of the salesperson's relationship focus: "learning about the seller's resources" and "customer contact". Both of these two constructs had three measurement items. Although each construct had an item with low loading, the items were retained for their content validity.

For the items measuring the dimension of "learning about the buyer", three out of six were retained: "understand buyer's business", "understand buyer's long-term needs", and "understand buyer's value creation mechanism", and three items were deleted: "keep abreast of buyer's development", "understand buyer's individuals' job role" and "understand buyer's political issues". The deleted items had low loadings and high modification indices. Their deletion led to a much better fit of the measurement model. Compared with the items retained, the three items deleted would be associated with the

three items retained. Therefore, their deletion would not lead to any major loss of the construct of “learning about the buyer”.

For the “service” dimension of salesperson’s relationship focus, three out of five items were retained: “prompt service”, “supply information to buyer”, and “build internal relationship for serving buyer”, and two items were deleted: “checking customer satisfaction” and “build third party relationship for serving buyer”. Both items deleted had low standardised factor loadings. Compared with the items retained, “checking customer satisfaction” would be associated with “prompt service”. “Build third party relationship for serving buyer” may be irrelevant to the current research sample as not all products would require bringing in third parties to serve the customer’s needs. On the other hand, “build internal relationship for serving buyer” was more relevant to the current research sample.

For “selling” dimension of salesperson’s relationship focus, six out of 11 items were retained: “identify opportunity through thinking”, “clarify buyer’s requirement”, “identify solution”, “generate creative solution”, “plan how to approach buyer”, “clarify value of the offering”, and five items were deleted: “forecast profit”, “identify new product ideas”, “identify buyer’s needs”, “identify opportunity through buyer discussion”, and “consider how to communicate”. “Forecast profit” had a low loading. This suggests that it does not associate well with identification of the selling opportunities and thus low content validity. “Identify new product ideas” had low loading. It had certain degree of redundancy with “generate creative solution” as creative solution would be a new product. The rest three items were deleted for their high modification indices. “Identify buyer’s needs” would be associated with “clarify buyer’s requirement”, and “identify opportunity through buyer discussion” would be associated with “identify opportunity through thinking”, and “plan how to approach buyer” would be associated with “consider how to communicate” with the buyer. Thus the deletion would not lead to any major loss of the content validity of the construct.

For “coordination”, four out of nine measurement items were retained: “discuss selling strategies with others”, “plan objectives to be reached together”, “share objectives with others”, “carry out objectives with others”, and five items were deleted: “obtain internal resources for buyer”, “persuade manager to invest in relationship”, “work with others to ensure customer satisfaction”, “coordinate with others to solve problems”, and “manage cost”. All the items deleted had standardised loadings less than .70. “Obtain internal resources for buyer” and “persuade manager to invest” had high modification indices and correlated with “plan objectives to be reached together” and “discuss selling strategies with others”. This suggests that objective planning requires successfully obtaining the necessary resources support from the seller’s firm. “Work with others to ensure customer satisfaction” and “coordinate with others to solve problems” had high modification indices and correlated with “share objectives with others”. This suggested that by communicating with others, i.e., sharing objectives with the relevant others, salespeople are likely to be able to ensure customer satisfaction and to solve problems. Thus, the deletion of the four items would not lead to major loss of content validity of the construct.

On the other hand, “manage cost” was deleted due to its lower content validity comparing with the items retained. It was included in the measurement for capturing salesperson’s effort for helping the seller firm to make effective and efficient use of the resources for serving the customer’s need. It had low loading, which suggests that it did not associate well with the rest of the items for coordinating inter-firm and intra-firm activities, and the activities with other relevant third parties.

In order to show psychometric properties of the scales for the six activity dimensions, Table 6-12 provides the composite reliability and AVE results for each of the six activity constructs, and the standardised factor loadings of the items retained. As shown in Table 6-12, the composite reliabilities of all activity constructs were above the recommended .70 threshold. The AVEs for each construct were all above the

recommended .50 threshold, which suggested that the items converged on the constructs they were intended to measure.

The AVEs of, and correlations between, the six activities are provided in Table 6-13 to show validity. As shown in Table 6-13, all the squares of correlations were lower than the AVEs of the relevant constructs. For example, the correlation coefficient between service and selling was .73. The square of this was .53, which was lower than the AVE for service (.61) and the AVE for selling (.58). Thus the discriminant validities of the activities were supported.

Table 6-12 Psychometric properties of final activity scales

Construct	Construct reliability	AVE	Items	Item label*	Std. factor loadings	t-value
Learning S	.81	.59	Understand seller's offering	L1	.86	a
			Understand seller's resources	L2	.82	11.20
			Keep abreast of seller's development	L3	.59	7.74
Learning B	.85	.66	Understand buyer's business	L4	.82	a
			Understand buyer's long-term needs	L5	.87	12.72
			Understand buyer's value creation mechanism	L6	.74	10.02
Contact	.76	.53	Build multiple relationships with buyer	RD1	.86	a
			Keep in regular business contact with buyer	RD2	.78	10.05
			Socialise with buyer	RD3	.49	6.18
Service	.82	.61	Prompt service	RD5	.86	a
			Supply information to buyer	RD6	.81	12.27
			Building internal relationship for serving buyer	RD4	.66	8.72
Selling	.89	.58	Identify opportunity through thinking	S1	.81	11.14
			Clarify buyer's requirement	S2	.78	10.87
			Identifying solution	S3	.77	a
			Generate creative solution	S4	.73	10.07
			Plan how to approach buyer	S5	.73	9.88
			Clarifying value of the offering	S6	.74	10.08
Coordination	.84	.58	Discuss selling strategies with others	C1	.66	9.25
			Plan objectives to be reached together	C2	.83	12.44
			Share objectives with others	C3	.86	a

Table 6-12 Psychometric properties of final activity scales (continued)

Construct	Construct reliability	AVE	Items	Item label*	Std. factor loadings	t-value
Coordination			Carry out objectives with others	C4	.67	9.64

Note: Learning S – learning about the seller’s resources, Learning B – learning about the buyer, Contact – customer contact. a – The loading was set as 1 for estimation, thus there is no *t*-value.

*Item label to be used in Figure 6-2 for showing the loading of each of the items retained after purification

Table 6-13 Convergent and discriminant validity of salesperson’s activities

	Learning S	Learning B	Contact	Service	Selling	Coordination
Learning S	.59	0.30	0.30	0.42	0.41	0.22
Learning B	.55	.66	0.34	0.34	0.49	0.20
Contact	.55	.58	.53	0.36	0.48	0.30
Service	.65	.58	.60	.61	0.53	0.19
Selling	.64	.70	.69	.73	.58	0.46
Coordination	.47	.45	.55	.44	.68	.58

Note: LearningS – learning about the seller’s resources, LearningB – learning about the buyer, Contact – customer contact. Values below the diagonal are bivariate correlations between dimensions, diagonal elements show the AVE of the relevant construct, and values above the diagonal are squared bivariate correlations.

6.5.2 Scales for endogenous constructs

In this section, the reliability, convergent validity and discriminant validity of the two endogenous constructs of the current research – the availability of the buyer’s resources (hereafter “buyer’s resources”) and the financial performance of the relationship for the seller (hereafter “performance”) – are examined. The initial internal consistency results of the scales of the two constructs were examined first as well as the initial standardised factor loadings of the relevant measurement items. Items with low correlation with other items, low item-to-total correlation, and low loadings were the candidates for deletion. The item purification process was done through the examination of the measurement models of the two endogenous constructs. The initial internal consistency results and the standardised loadings of the relevant items are presented in Table 6-14.

As shown in Table 6-14, the coefficient alphas for “buyer’s resources” and “performance” were .90 and .85 respectively. However, a pair of items for measuring “buyer’s resources” – “useful information” and “physical facilities” – had inter-item correlation of .26, which was lower than the recommended .30 threshold. All item-to-total correlations were higher than the recommended .50 threshold. In terms of standardised factor loadings in the measurement model, 4 out of 10 items for “buyer’s resources” had standardised loadings less than the recommended .70 threshold: “physical facilities”, “financial resources”, “organisational resources”, and “third party relationships”. Two out of five items for “performance” had standardised loadings less than the recommended .70 threshold: “margin” and “economic use of seller’s resources”. These items were the candidates for deletion.

Table 6-14 Properties of endogenous constructs' measures

Construct	Item label	Coefficient α	Lowest inter-item correlation	Item-to-total correlation	Std. factor loading	<i>t</i>-value
Availability of the Buyer's Resources	Buyer's useful information	.90	.26	.63	.71	a
	Buyer's expertise		.35	.71	.78	9.42
	Buyer's innovative ideas		.31	.68	.75	7.82
	Buyer's relationship Investments		.43	.71	.74	8.28
	Buyer's joint work with seller		.36	.65	.70	8.26
	Buyer's physical facilities		.26	.56	.56	9.28
	Buyer's money		.31	.63	.62	9.75
	Buyer's organisational resources		.38	.67	.66	8.74
	Buyer's third party relationships		.36	.63	.66	7.07
	Buyer's future developmental plans		.42	.70	.74	9.31
Financial Performance	Achieving sales targets	.85	.35	.63	.74	10.10
	Share of buyer's business		.47	.73	.84	a
	Cross-selling		.41	.66	.75	10.21
	Margin		.41	.58	.58	7.55
	Economic use of seller's resources		.47	.68	.67	8.92

Note: a- The loading was set as 1 for estimation, thus there was no t-value.

The standardised residuals and modification indices were examined for purifying the measurement and where they appeared to be candidates for deletion, their theoretical characteristics were examined, as discussed in the next paragraph. Five items were retained for “buyer’s resources” at the end of purification process: “buyer’s expertise”, “buyer’s innovative ideas”, “buyer’s relationship investments”, “buyer’s joint work with seller”, and “buyer’s future developmental plans” and five items were deleted: “buyer’s useful information”, “buyer’s physical facilities”, “buyer’s money”, “buyer’s organisational resources”, and “buyer’s third party relationships”. Apart from “buyer’s useful information”, which had high modification indices, all the remaining four items had low loadings and high modification indices.

A close examination of the items deleted showed that “buyer’s useful information” had a certain degree of redundancy with “buyer’s innovative ideas” and “buyer’s expertise”, which were retained. The low loadings of “buyer’s physical facilities” and “buyer’s third party relationships” seemed to suggest that these buyer’s resources are irrelevant to the current sample in terms of the buyer’s resources the seller may use for co-creation. It may be due to the fact that buyer’s physical facilities may be entirely irrelevant to the seller’s offering, and not all customers’ third party relationships could offer useful information or knowledge for co-creation.

On the other hand, the use of “buyer’s money” and “buyer’s organisational resources”, such as customer’s database, technology, and market information, for co-creation may be reflected in the use of “buyer’s relationship investments” and “buyer’s joint work with seller”, both of which were retained. Thus, the content validity of the “buyer’s resources” construct was not heavily influenced by the deletion of the items.

For the “performance” construct, four items were retained: “achieving sales targets”, “margin”, “cross-selling”, and “share of buyer’s business”, and one item was deleted: “economic use of seller’s resources”. Improving the economic use of the seller firm’s

resources was borrowed from Medlin's (2006) research, as it was viewed as relevant to resource integration. It was from a different angle compared with other four performance indicators retained. The low loading of the items suggests that it had a lower level of content validity compared with the items retained.

After the deletion of all the items noted in the paragraphs above, the fit indices of the measurement models of the two constructs showed good model fit. For "buyer's resources", the normed chi-square was 2.055, CFI was .986, RMSEA was .078, GFI was .976, NFI was .974, and TLI was .972. For "performance", the normed chi-square was .998, CFI was 1.000, RMSEA was .000, GFI was .994, NFI was .991, and TLI was 1.000. The composite reliabilities of the constructs at the end of item purification were calculated as well as their AVEs. The results are presented in Table 6-15. As shown in Table 6-15, the reliabilities of both constructs after item purification were above .80, which was higher than the recommended .70. The AVEs are above the recommended .50 threshold. This suggests that the convergent validities of the two constructs were supported.

Table 6-15 Final construct reliability and AVEs for endogenous constructs

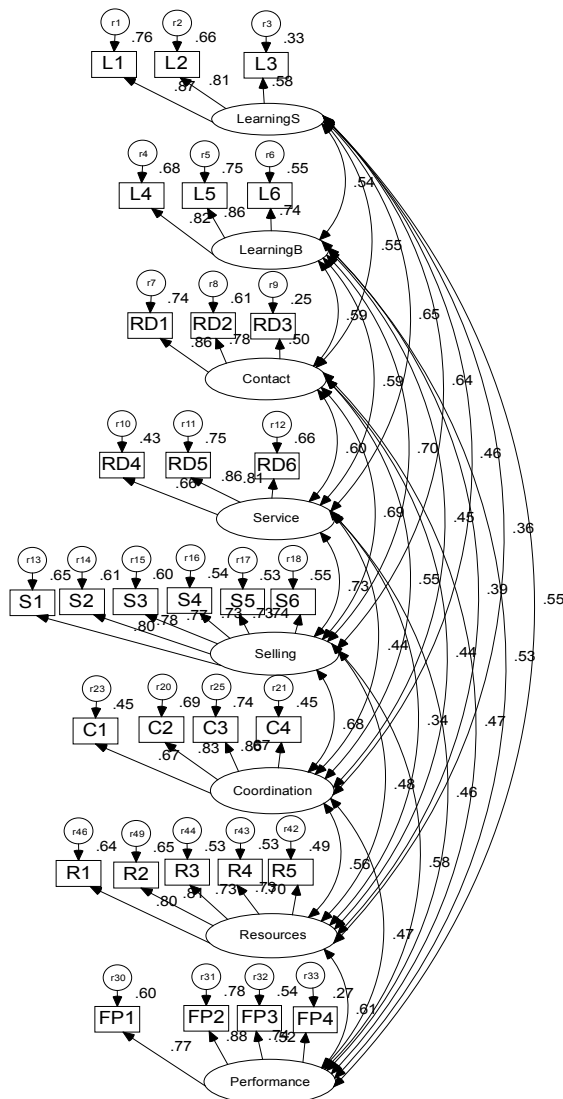
Construct	Construct reliability	AVE	Items	Item label*	Std. factor loadings	<i>t</i> -value
Buyer's resources	.867	.57	Buyer's expertise	R1	.79	11.03
			Buyer's innovative ideas	R2	.82	a
			Buyer's relationship investments	R3	.73	10.07
			Buyer's joint work with seller	R4	.73	9.97
			Buyer's Future developmental plans	R5	.69	9.38
Performance	.821	.54	Achieving sales targets	FP1	.75	10.45
			Share of business	FP2	.92	a
			Cross-selling	FP3	.71	9.88
			Margin	FP4	.51	6.73

a – The loading was set at 1 for estimation, thus there was no *t*-value. *Labels to be used in Figure 6-2.

6.5.3 Overall measurement model

In this section, all the eight constructs in the proposed structural model as in Figure 4-3 were included in one measurement model to assess overall measurement dimensionality and unidimensionality of all scale items. The model fit the data well. The normed chi-square was 1.659, CFI was .911, RMSEA was .062, GFI was .810, NFI was .806, and TLI was .898. The model is presented in Figure 6-2 with the correlation results and standardised loadings.

Figure 6-2 Overall measurement model



Note:

- (1) The corresponding items for the labels in this Figure are provided in Table 6-12 and Table 6-15.
- (2) Learning S – learning about the seller’s resources, learning B – learning about the buyer, contact – customer contact, development – relationship development, performance – performance of the relationship for the seller, resources – the availability of the buyer’s resources

The construct AVEs, correlation coefficients between the eight constructs and the squared correlations are provided in Table 6-16. The squared correlations were lower than the AVEs of the relevant constructs. This supports the discriminant validity of all constructs including “buyer’s resources” and “performance”.

Table 6-16 Discriminant and convergent validity: all constructs

	Learning S	Learning B	Contact	Service	Selling	Coor	ABR	FP
Learning S	.58	0.29	0.30	0.42	0.41	0.21	0.13	0.30
Learning B	.54	.66	0.35	0.35	0.49	0.20	0.15	0.28
Contact	.55	.59	.53	0.36	0.48	0.30	0.19	0.22
Service	.65	.59	.60	.61	0.53	0.19	0.12	0.21
Selling	.64	.70	.69	.73	.58	0.46	0.21	0.34
Coor	.46	.45	.55	.44	.68	.58	0.31	0.22
ABR	.36	.39	.44	.34	.46	.56	.57	0.37
FP	.55	.53	.47	.46	.58	.47	.61	.55

Note: Learning S – learning about the seller’s resources, Learning B – learning about the buyer, Contact – customer contact, Coor – coordination, ABR – availability of the buyer’s resources, and FP – financial performance. Values below the diagonal are bivariate correlation between the constructs, diagonal elements are the AVEs of the relevant construct, and values above the diagonal are squared correlations.

6.5.4 Descriptive statistics at construct level

Table 6-17 presents the descriptive statistics of the summated scales of the above eight constructs, i.e., six activity constructs and “buyer’s resources” and “performance”. The summated scales were calculated based on the average value of the weighted sum of the relevant items of the constructs in the model. The standardised factor loadings were used for the weighting of the items. The results for salesperson’s relationship focus level were calculated by using the average score of the six activity dimensions and are

provided in the table.

The results show that relationship focus had the lowest standard deviation among all the constructs. This suggests that even though salespeople might expend effort on different types of activities, their relationship focus level was relatively close. However, because they had directed their efforts towards different types of activities, the outcomes of their effort became different. That explained why “buyer’s resources” and “performance” had higher standard deviations compared to salesperson’s relationship focus.

Table 6-17 Descriptive statistics of the summated scales in the structural model

Average of the weighted sum of the items for the construct	Mean	Std. Deviation
Learning about the seller’s resources	3.99	0.86
Learning about the buyer	4.42	0.84
Customer contact	3.49	0.79
Service	4.54	0.68
Selling	4.09	0.78
Coordination	3.63	0.88
Relationship focus	4.02	0.62
Buyer's resources	2.91	0.99
Performance	3.46	0.80

6.5.5 Exploratory factor analysis

Exploratory factor analysis was used to test the items retained to further examine the unidimensionality of the measurement items. Principle axis factoring extraction method was used with direct oblimin rotation. The pattern matrix is provided in Table 6-18.

Oblique rotation was used in exploratory factor analysis because oblique rotation is more appropriate when the factors are expected to be intercorrelated (Hair et al., 1998; J.-O. Kim & Mueller, 1978). Direct oblimin and promax rotation arrived at similar results. The number of factors extracted was fixed at eight. The items generally loaded as expected.

Table 6-18 Pattern Matrix (a)

Construct	Items	Component							
		1	2	3	4	5	6	7	8
Learning S	Understand seller's offering				.804				
	Understand seller's resources				.680				
	Keep abreast of seller's development				.489				
Learning B	Understand buyer's business						.642		
	Understand buyer's long-term needs						.899		
	Understand buyer's value creation mechanism						.494		
Contact	Build multiple relationships with buyer							-.866	
	Keep in regular business contact with buyer							-.653	
	Socialise with buyer							-.370	
Service	Prompt service								.791
	Supply information to buyer								.759
	Build internal relationship for serving buyer								.423
Selling	Identify opportunity through thinking	.264							
	Clarify buyer's requirement	.583							
	Identify solution	.611							
	Generate creative solution	.494							
	Plan how to approach buyer	.414							
Coordination	Clarify the value of the offering	.385							
	Discuss selling strategies with others			-.432					
	Plan objectives to be reached together			-.753					
	Share objectives with others			-.803					

Table 6-18 Patten Matrix (continued)

Construct	Items	Component							
		1	2	3	4	5	6	7	8
Coordination ABR	Carry out objectives with others			-.694					
	Buyer's expertise		.719						
	Buyer's innovative ideas		.800						
	Buyer's relationship investments		.668						
	Buyer's joint work with seller		.644						
FP	Buyer's future developmental plans		.613						
	Achieving sales targets					-.618			
	Share of business					-.891			
	Cross-selling					-.662			
	Margin					-.463			

Note: Extraction Method: Principal Axis Factoring. Rotation Method: Oblimin with Kaiser Normalization. a Rotation converged in 11 iterations, number of factors extracted was fixed at eight. Learning S – learning about the seller's resources, Learning B – learning about the buyer, Contact – customer contact, ABR – availability of the buyer's resources, FP – financial performance of the relationship for the seller

However, five items had loadings less than .425, which was the suggested level to be considered as significant at the current sample size of 175 (Hair et al., 2010). These five items were “keep abreast of seller’s development” for “learning about the seller’s resources”, “socialise with buyer” for “customer contact”, “build internal relationship for serving buyer” for “service”, “identify opportunity through thinking” and “plan how to approach buyer”, and “clarifying value of the offering” for “selling”. All had communality of less than .50 except for “plan how to approach buyer”. Even though the deletion of these items would lead to a better fit of the measurement model, these items were retained for their content validity during the item purification process to make sure that no major changes occur to the conceptual domains of the constructs.

In terms of cross-loading, the differences of any two loadings on different factors were within the recommended 0.25 threshold (Bristow & Mowen, 1998). Thus, cross-loading was not severe. The unidimensionality of the measurement items was thus supported.

Overall 62.15 percent of the variance was explained by the factors extracted. This corresponds well with the fit level of the measurement model with the items retained.

6.6 Structural model estimation

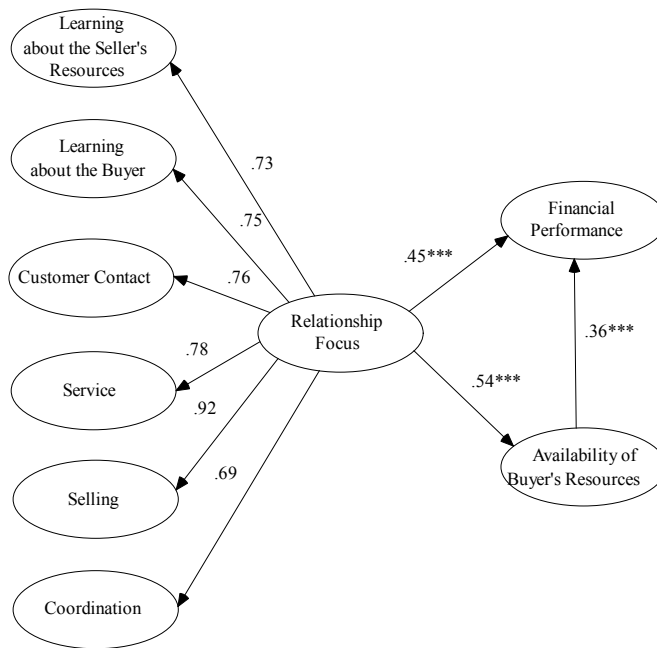
In this section, the proposed structural model as in Figure 4-3 is examined first. Then a rival model is examined. The results are compared. The estimation helps to examine the nomological validity of the constructs for the current research.

6.6.1 Proposed structural model

In the proposed structural model, all the six activity constructs were placed as the first-order dimensions of a higher-order construct of salesperson’s relationship focus level. The results are provided in Figure 6-4. The fit indices results suggested good model fit. The normed chi-square was 1.659, CFI was .907, and RMSEA was .062. GFI was .799, NFI was .796, and TLI was .898.

The loadings of the six activity dimensions ranged from .69 for “coordination” to .92 for “selling”. The average of the square of the loadings of these six first-order activity dimensions was .60. Thus, on average, 60 percent of the variance in the first-order activity dimensions is explained by the second-order relationship focus construct, and thus these six activity dimensions did converge on the second-order relationship focus construct.

Figure 6-3 Proposed structural model



Note: ***Significant at $p < .001$ level.

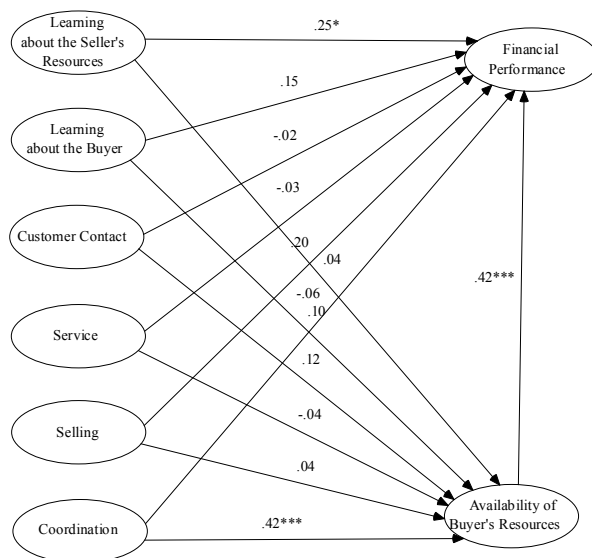
For nomological validity testing, the relationships between “relationship focus”, “buyer’s resources” and “performance” were examined. The results showed that 51 percent of the variance in “performance” was explained by the combined effect of “buyer’s resources” and salesperson’s “relationship focus”, and 29 percent of the variance in “buyer’s resources” was explained by salesperson’s “relationship focus”. The results suggest that salesperson play a significant role in gaining access to and making use of buyer’s resources for co-creation, and help the seller to realise the relationship value in terms of financial performance.

All the three hypotheses were supported. As hypothesised in Hypothesis 1, the availability of the buyer's resources had significant and positive effect on financial performance. The path coefficient was .36 and was significant at $p < .001$ level. As hypothesised in Hypotheses 2 and 3, salesperson's level of relationship focus level had significant and positive impacts on both the availability of the buyer's resources and financial performance. The path coefficients were .54 and .45 respectively and both were significant at $p < .001$ level.

6.6.2 Rival model

In the rival model, all the six first-order activities were placed in direct relationship with "buyer's resources" and "performance". Researchers suggest that first-order factor model needs to have good fit before the model was placed in higher-order structures (Marsh & Jackson, 1999). The first-order model is shown in Figure 6-4. The fit indices were within the acceptable range. The normed chi-square value was 1.659, CFI was .911, and RMSEA was .062. The GFI was .810, NFI was .806, and TLI was .898.

Figure 6-4 Rival model



Note: *Significant at $p < .05$ level, ***significant at $p < .001$ level

Compared to the proposed structural model, this rival model had equal fit results in terms of normed chi-square, TLI and RMSEA, which take more complexity into

account, and better fit results in terms of GFI, NFI, and CFI. These better fit results were consistent with the expectation. Researchers note that first-order factor model sets the upper limit of the fit indices, however, higher-order factor model improves level of parsimony (T. A. Brown, 2006; Marsh, 1991). The further examination of the PNFI, AIC and CAIC results showed that the proposed model had greater parsimony. The fit indices results of the two models are summarised in Table 6-19.

Table 6-19 Comparison of the rival models

Fit indices	Proposed model	Rival model
R ² for “buyer’s resources”	.29	.35
R ² for “performance”	.51	.53
χ^2	705.23	673.75
Df	425	406
χ^2/df	1.659	1.659
GFI	.799	.810
NFI	.796	.806
TLI	.898	.898
CFI	.907	.911
RMSEA	.062	.062
PNFI	.728	.703
AIC	847.226	853.753
CAIC	1142.93	1228.58

The examination of the path coefficients in the proposed structural model and the rival model found that while all the paths in the proposed structural model were significant, only 2 out of 12 paths from the six activities to the two endogenous constructs were significant in the rival model. One is from “coordination” to “buyer’s resources”. The path coefficient was .42 and significant at $p < .001$ level. The other was from “learning about the seller’s resources” to “performance”. The path coefficient was .25 and significant at $p < .05$ level. Therefore, the proposed structural model was better as it provided more significant results for interpretation of the impact of salesperson’s activities on buyer’s resources on the relationship performance for the seller, and thus was more meaningful.

6.7 Availability of buyer's resources mediation analysis

In this section, the mediation effects of “buyer’s resources” on the relationship between salesperson’s relationship focus and “performance” is examined. Baron and Kenny (1986) suggest four steps in establishing mediation. In step 1: show that the initial variable is correlated with the outcome; in step 2: show that the initial variable is correlated with the mediator; in step 3: show that the mediator affects the outcome variable, using both the initial variable and the mediator as predictors for the outcome variable; in step 4: to establish that the mediator completely mediates the relationship between the initial variable and the outcome variable, the effect of initial variable on outcome variable controlling for mediator should be zero. It is further noted that step 2 and 3 are essential for establishing the mediation effect, while step 1 is not required and step 4 applies to full mediation only (Kenny, 2009; Zhao, Lynch, & Chen, 2010).

Following Baron and Kenny’s (1986) suggestions, “buyer’s resources” was tested as a mediator between the salesperson’s relationship focus and “performance”. The results are presented in Table 6-20. As shown in Table 6-20, when “performance” was regressed on relationship focus (i.e., Baron and Kenny’s (1986) step 1), the path coefficient from relationship focus to “performance” was .65 (significant at $p < .001$ level). Thus, there was an effect between relationship focus and “performance” that might be mediated. When “buyer’s resources” was regressed on relationship focus (i.e., Baron and Kenny’s (1986) step 2), the path from relationship focus to “buyer’s resources” was .54 (significant at $p < .001$ level). Thus, relationship focus was associated with “buyer’s resources”, the mediator. When “performance” was regressed on both relationship focus and “buyer’s resources” (i.e., Baron and Kenny’s (1986) step 3&4), the effect of “buyer’s resources” on “performance” was significant (.36***), and the effect of relationship focus on “performance” was different from zero at .45 (significant at $p < .001$ level). Thus, “buyer’s resources” was a mediator between relationship focus and “performance”. In addition, this mediation was partial rather than full mediation.

Table 6-20 Mediation effect

Paths	Regressing “Performance” on Relationship Focus (Baron & Kenny’s step 1)	Regressing “Buyer’s Resources” on Relationship Focus (Baron & Kenny’s step 2)	Regressing “Performance” on “Buyer’s Resources” and Relationship Focus (Baron & Kenny’s step 3&4)
Relationship Focus → ”Performance”	.65***	-	.45***
Relationship Focus → ”Buyer’s Resources”	-	.54***	.54***
“Buyer’s Resources” → “Performance”	-	-	.36***
χ^2	507.53	547.75	705.23
Df	292	317	425
χ^2/df	1.738	1.728	1.659
GFI	.824	.813	.799
NFI	.820	.815	.796
TLI	.904	.902	.898
CFI	.914	.911	.907
RMSEA	.065	.065	.062
R ²	.42	.29	.51

***Significant at p < .001 level

The partial mediation effect shows that while buyer's resources are important for obtaining relationship outcome for the seller, salesperson play a pivotal role in enhancing the performance of the relationship for the seller. Apart from contributing to obtaining access to and making actual good use of buyer's resources for realising the relationship value for the seller, salesperson also makes the direct contribution through application of his/her own expertise that is relevant to relationship value co-creation, identifying co-creation opportunities and engaging both firms in co-creation.

6.8 Moderation effect of buyer's firm size

As discussed in section 2.2.1, relationship value co-creation is dependent on the scale and scope of the complementary resources shared by the two relationship parties (Lavie, 2006) and the strategic actions taken to exploit the resources (Ketchen et al., 2007). Higher level and larger scale of complementary resources shared between the partners will lead to higher potential for relational rent generation (Lavie, 2006). Therefore, larger customer firms are likely to have more resources to be effectively combined for value co-creation as long as the customer is willing to be involved in value co-creation dialogue and co-creation opportunities can be identified and realised. The potential scope and scale of customer's resources that are complementary to the seller's would be higher for larger customer firms. More ways for combining two firms' resources may be identified, and thus more value co-creation opportunities may be identified.

To test whether there was moderation effect of customer's firm size, the sample was split into two groups. One had smaller customer firms (employee number ≤ 50), and the other had larger customer firms (employee number > 50). Multi-group structural equation modelling was used to examine whether there were any significant differences in the paths in the two sub-sample groups. The results were shown in Table 6-21.

Table 6-21 Moderation effect examination

Moderators	Competing models	Chi-square	df	Model	$\Delta\chi^2$	Δdf	χ^2/df	CFI	RMSEA	Significant at p
Customer firm size (employee number ≤ 50 vs. > 50)										
	1. Paths free	1420.17	850				1.671	.824	.063	
	2. Path relationship focus to “Performance” invariant	1425.77	851	1 & 2	5.60	1	1.675	.823	.063	Significant
	3. Path relationship focus to “Buyer’s Resources” invariant	1420.33	851	1 & 3	.17	1	1.669	.824	.063	Insignificant
	4. Path “Buyer’s Resources” to “Performance” invariant	1420.44	851	1 & 4	.27	1	1.669	.824	.063	Insignificant

Note: Path free – All the paths were allowed for free estimation; Invariant: The specific path was constrained to be equal in two groups’ models.

Table 6-22 Moderation effect examination – path coefficient comparison

Path coefficient	Relationship focus → “Performance”	Relationship focus → “Buyer’s Resources”	“Buyer’s Resources” → “Performance”	R ² for “Performance”	R ² for “Buyer’s Resources”
Customer’s employee number ≤ 50 (75 responses)	.33*	.63***	.47**	.53	.39
Customer’s employee number > 50 (96 responses)	.56***	.41***	.30**	.54	.17

***Significant at $p < .001$ level; **Significant at $p < .01$ level; *Significant at $p < .05$ level; n.s. Insignificant at $p < .05$ level, Numbers in bold were significantly different between two groups

As shown in Table 6-21, when the path of relationship focus to “performance” was constrained to be equal in two sub-sample groups, the model had an increase of 5.60 in chi-square compared to the freely estimated model. The difference was significant at $p < .05$ level. This suggested that the size of customer’s firm moderated the effect of salesperson’s relationship focus on “performance”. The other two paths, the path from salesperson’s relationship focus to “buyer’s resources”, and the path from “buyer’s resources” to “performance” did not show significant differences in the constrained model and the freely estimated model.

In addition, Table 6-22 show that the effect of salesperson’s relationship focus on “performance” for the two sample groups. As shown in Table 6-22, the effect of relationship focus on “performance” was much stronger for the larger customer firm group than that for the smaller customer firm group. For the larger customer firms, the path coefficient from relationship focus to “performance” was .56 (significant at $p < .001$ level). For the smaller customer firms, the path coefficient was .33 (significant at $p < .05$ level). The results suggested that for larger customer firms, salesperson’s relationship focus were more effective in achieving good relationship performance for the seller. The salesperson might identify more ways that two firms’ resources could be combined and used for co-creation. Salespeople should expend effort on understanding the buyer’s business in depth, exploring the usefulness of the buyer’s resources and identifying the relevant resources for value co-creation.

6.9 Conclusion

This chapter presents the data analysis process for examining the construct validity of the salesperson’s relationship focus, the availability of the buyer’s resources and financial performance of the relationship for the seller, and for testing the structural model proposed. The construct validities of all the constructs in the current research are supported by data analysis results. Six activity dimensions converge on the higher-order relationship focus construct. In addition, all the three hypotheses are supported by data analysis results. The salesperson’s relationship focus level has positive effects on both

the availability of the buyer's resources and the financial performance of the relationship for the seller. In addition, the availability of the buyer's resources has positive effect on the financial performance of the relationship for the seller.

The examination of the rival model shows that the proposed structural model is better as all the paths in the proposed model are significant and the model has greater parsimony. In the rival model, all the six activities are placed in direct relation with the relationship performance for the seller and the availability of the buyer's resources, and only 3 out of 13 paths in the model are significant. Thus the proposed structural model provides more meaningful results for interpretation.

The mediation analysis finds that "buyer's resources" partially mediates the relationship between the salesperson's relationship focus and "performance". This suggests that, apart from helping the seller to obtain access to and make good use of buyer's resources for realising relationship value for the seller, the salesperson also contribute to the performance of the relationship through applying their expertise, identifying co-creation opportunities, and engaging both the buyer and the seller in co-creation.

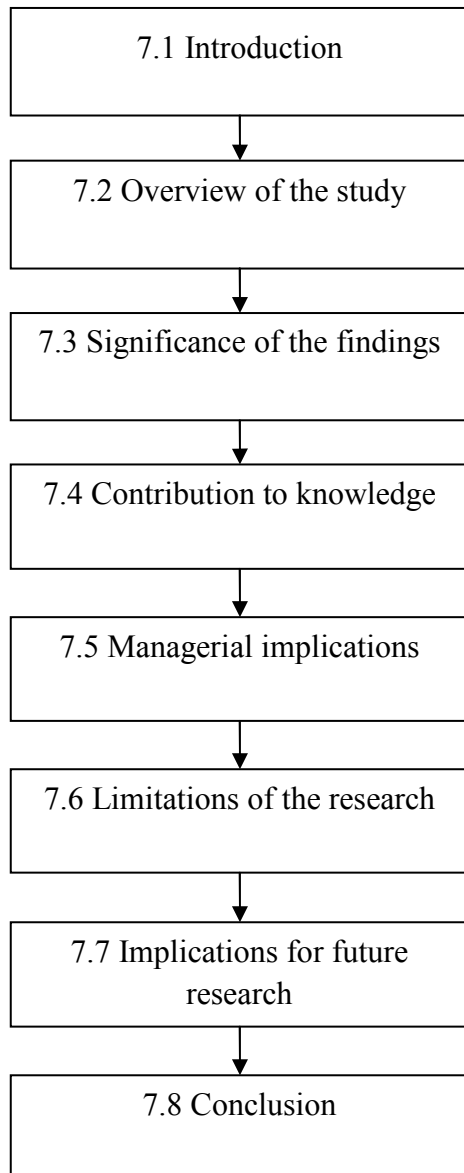
In the moderation examination, customer's firm size moderates the effect of salesperson's relationship focus on the relationship performance for the seller. Working in a relationship with larger customer's firm size, the salesperson's relationship focus has higher impact on the financial performance of the relationship for the seller. Larger firms potentially have more resources that are complementary to the seller's and thus more ways of combining two firms' resources for value co-creation may be identified. Salesperson thus has better chances to improving relationship outcome for the seller.

7 Conclusions and implications

7.1 Introduction

The purpose of this thesis is to investigate which salesperson's relationship activities affect the relationship performance for the seller, both directly and indirectly through the availability of the buyer's resources, and how that effect takes place. In this chapter, an overview of the study is first presented, followed by an evaluation of the research findings and their significance. The findings are then further discussed in terms of the contribution to knowledge and relevance to managers. Then, the limitations of this investigation and recommendations for further research on the topic area are outlined. Finally, a conclusion of the chapter is provided. A chapter outline is shown in Figure 7-1.

Figure 7-1 Chapter outline



7.2 Overview of the study

This study proposes and develops two constructs – the availability of the buyer’s resources and the level of the salesperson’s relationship focus – for exploring how a salesperson, with his/her relationship focus, directs his/her relationship activities for obtaining high availability of a buyer’s resources for the benefit of both firms, and thus realising the potential value of the relationship for the seller. The three research questions are as follows:

- 1) How to measure the availability of a buyer’s resources?
- 2) How to measure the level of a salesperson’s relationship focus?
- 3) How does the level of a salesperson’s relationship focus influence the availability of the buyer’s resources and the relationship performance for the seller?

Through rigorous scale development process, the measures for the two key constructs noted in research questions 1 and 2, and for the third performance construct, are developed and the validities of the constructs are supported. The availability of the buyer’s resources is found to be positively and significantly associated with the relationship performance for the seller; and the salesperson’s relationship focus level is significantly and positively associated with the availability of the buyer’s resources and the relationship performance for the seller. Thus all the three hypotheses are supported. Six relationship activities are identified as relevant to gaining high level of access and use of the buyer’s resources for co-creation or value creation for both firms and thus are relevant to relationship value realisation process. The six activities are learning about the seller’s resources, learning about the buyer, customer contact, service, selling and coordination. Quantitative data analysis shows that the intensity levels of these six activities do converge on the salesperson’s relationship focus level, and thus are valid indicator dimensions for the salesperson’s relationship focus level. The details of the findings for the three research questions are discussed next.

7.2.1 Answers for research question 1

This section discusses the conceptual domain of the availability of a buyer's resources based on the literature and the qualitative and quantitative phases of the current research. The literature suggests that complementary resources two firms have and the relationship-specific investments made by the two firms are critical for relational rent generation (Dyer & Singh, 1998; Lavie, 2006). Evidence shows that buyers make relationship-specific investments or adaptations. Examples of the investments include providing training, assigning personnel to the seller's facilities, providing the seller with equipment or capital (Humphreys et al., 2004), investing in training to learn about the seller's products or investing in systems or procedures for doing business with the seller (Heide & John, 1988). Buyers also make relationship-specific adaptations in areas such as product/process technology, product/service specification, production/planning/scheduling, delivery, and financial and contractual terms and conditions (Schmidt et al., 2007). They do so to meet end customers' needs, to lower operational cost in the relationship or for other long-term benefits (Schmidt et al., 2007). Buyers also take joint actions with sellers in areas such as product development, quality control or long-term planning (Heide & John, 1990) for achieving better outcomes from the relationship. The buyer's resources are accessed and used for co-creation in the above conditions and the seller is able to obtain benefit out of the use of the buyer's resources.

The literature also suggests that the buyer's resources that are useful for value creation for both firms may include physical, financial, human, organisational, and relational resources (Baxter & Matear, 2004; Morgan & Hunt, 1999). Buyer's operant resources, such as buyer's human resources, organisational resources, and relational resources, are particularly important for relationship value co-creation as operant resources help to make good use of the seller's offering, identifying the value co-creation opportunities in the relationship and contributing to the co-production of the offering.

The qualitative phase of the current research finds that different customers have

different resources that are used by the seller and thus are valuable for the seller. From a salesperson's perspective, buyers' human resources are viewed as valuable when they can offer information, innovative ideas or have expertise for value co-creation. Buyers' organisational and relational resources are viewed as valuable because they are associated with market information or business knowledge that can be used for value co-creation. The importance of a buyer's physical resources for co-creation is industry-specific. For example, a retailer's shelf space is extremely important for the seller, and a manufacturer's manufacturing facilities are critical for the supplier to co-create value with the manufacturer. On the other hand, a service purchaser's physical facilities or materials will be of little importance for their recruitment service provider to co-create value with them. Finally, buyers' financial resources are associated with the security of payment for the seller and are important buyers' investments in the relationship for repeating and expanding the business with the seller.

The quantitative phase of the current research finds that the availability of a buyer's resources has a positive and significant impact on the financial performance of the relationship for the seller. Five items are retained in this study for measuring the availability of a buyer's resources: the buyer's expertise, innovative ideas, relationship investments, joint work with the seller, and future developmental plans. The standardised loadings of these five items range from .69 for buyer's future developmental plans to .82 for buyer's innovative ideas. They are thus good measures for the availability of the buyer's resources.

The results suggest that the availability of the buyer's resources is closely associated with the relationship performance for the seller. By obtaining useful complementary resource inputs from the buyer, the overall scale and scope of the resources available to the relationship for value creation increases. Potentially more ways of synergistic combination of these resources can be identified, and thus more relationship value may be realised. Sellers can gain a good share of the "pie" (Jap, 1999) during the co-creation

process.

7.2.2 Answers for research question 2

This section discusses the conceptual domain of the level of a salesperson's relationship focus based on the literature and the qualitative and quantitative phases of the current research. A salesperson's relationship focus is an attribute of the salesperson proposed in this study that directs the salesperson's efforts to the activities that are relevant to obtaining high level of access and use of the buyer's resources for co-creation or value creation for both firms. It is assessed by the intensity of the relevant activities identified in the current study. The effect of activity on resources is based on the theory. Researchers suggests that resources need to be activated by the actors through activities to be able to offer their services and thus create value, and different ways of combination and use of the resources can lead to different services and thus different value outcomes (Håkansson & Snehota, 1995; Penrose, 2009). Thus, the salesperson, as an individual actor, can influence the way the buyer's and the seller's resources are combined and used for co-creation through his/her relationship activities. According to the SD logic, individuals can be resource integrators (Vargo & Lusch, 2008).

The literature review shows that salespeople may influence the level the buyer's resources being accessed and used through four ways: (1) influencing buyer's willingness to allocate their resources to the relationship for co-creation, (2) identifying the usefulness of the buyer's resources for co-creation, (3) motivating the buyer and the seller to engage in the co-creation activity, and (4) coordinating the co-creation process. Salespeople can do so by directing their activities or efforts to learning about the seller's resources, learning about the buyer, customer contact, service, selling and coordination.

Learning about the seller's resources and learning the buyer's business help to form the basic business expertise to engage the buyer in the co-creation related communicative interaction. The communication in turn may lead to identification of new business opportunities. Customer contact and service offer chances to gain a better understanding

of customer's business and to have dialogue with the customer. Selling clarifies customer's needs, identifies opportunities and engages the buyer in the co-creation related dialogue through tailored presentations. Finally, coordination helps to align two firms' activities and other relevant third parties' activities that are interdependent for value co-creation. Once the activities are aligned, the relevant resources will be aligned.

The qualitative research results show that the two learning activities are important for making good use of the multiple contacts points the seller has within the customer's organisation. Competence built over time through learning motivates the salesperson to search out in the customer's organisation for useful information for value co-creation. He/she will talk to multiple individuals in the customer's organisation and ask for information that is relevant to the identification of new business opportunities. In addition, it is particularly important to build up the knowledge of how values are created for different types of customers' situations. The salesperson will be able to identify co-creation opportunities in different relationships and to be adaptive in selling. Knowledgeable salespeople will be able to engage customers in co-creation related dialogue and to co-create value propositions with customers.

The salesperson must regularly contact the customer and to provide high level of service to be able to maintain and develop the relationship. The salesperson also needs to develop relationships with multiple individuals in the customer's company. These people should be important at functional or operational level, and thus have the power to deploy the customer's firm's resources. Relationships also need to be developed with relevant individuals inside the seller's organisation or other third parties' organisations who are capable of helping with servicing customer's needs.

Selling involves clarifying customer's needs, identifying opportunities through careful listening and observation and through thinking deeply about how things can be improved for the two firms, identifying solutions, and adaptive sales presentations. Thus,

selling helps to engage the customer in the co-creation related dialogue.

Finally coordination facilitates co-creation process through coordinating the activities of the seller, the buyer and other third parties that are interdependent for co-creation. It relies on communication with the relevant individuals within the seller's firm, within the buyer's firm and within other relevant parties' firms on issues such as what objectives need to be achieved together, how the relevant activities should be carried out, and how to solve problems.

The quantitative data analysis results show that all the intensity levels of the above six activities converge on the salesperson's relationship focus level. The standardised loadings of these six activity dimensions range from .69 for coordination to .92 for selling. Therefore, these activities are useful indicative dimensions of the salesperson's relationship focus.

On average, 60 percent of the variance in the above activity dimensions is explained by the salesperson's relationship focus level. In addition, the reliability and the convergent and discriminant validities of these six activity dimensions are supported by the data.

Three items are retained for "learning about the seller's resources": "understand seller's offering", "understand seller's resources", and "keep abreast of seller's development"; and three items are retained for "learning about the buyer": "understand buyer's business", "understand buyer's long-term needs", and "understand buyer's value creation mechanism". Therefore, with relationship focus, a salesperson is likely to expend effort on developing an in-depth understanding of how two firms' resources can be integrated for co-creation.

The items retained for "customer contact" are "build multiple relationships with buyer", "keep in regular business contact with buyer", and "socialise with buyer"; and the items

retained for “service” are “prompt service”, “supply information to buyer” and “build internal relationship for serving buyer”. Thus, with relationship focus, a salesperson is likely to expend effort on building deep relationship with the buyer and with other relevant individuals inside the seller’s firm for serving the buyer’s needs and to providing high level of service to the buyer.

Six items are retained for “selling”: “identify opportunity through thinking”, “clarify buyer’s requirement”, “identify solution”, “generate creative solution”, “plan how to approach buyer”, and “clarify the value of the offering”. The high standardised loading of “selling” (.92) suggests that, with relationship focus, a salesperson is quite likely to expend effort on seeking solution co-creation opportunities in the relationship and being adaptive in the selling process.

The items retained for “coordination” are “discuss selling strategies with others”, “plan objectives to be reached together”, “share objectives together” and “carry out objectives together”. Thus, with relationship focus, a salesperson is likely to expend effort on obtaining help inside the seller’s firm, and on aligning buyer’s and seller’s and other third parties’ activities that are interdependent for co-creation.

7.2.3 Answers for research question 3

The quantitative data analysis results show that the effect of the salesperson’s relationship focus level on “performance” is partially mediated by “buyer’s resources”. Thus the salesperson’s relationship focus has both direct and indirect influence on “performance”. Overall 51 percent of the variance in “performance” is explained by the combined effect of “buyer’s resources” and “relationship focus” through both the direct and indirect paths. The coefficient of the path from “relationship focus” to “performance” is .45 and significant at $p < .001$ level, and the coefficient of the path from “buyer’s resources” to “performance” is .36 and significant at $p < .001$ level. The coefficient of the path from the salesperson’s relationship focus level to the availability of the buyer’s resources is .54 and significant at $p < .001$ level, and 29 percent of the

variance in “buyer’s resources” is explained by “relationship focus”. Therefore, all the three hypotheses are supported by the data. The hypotheses are presented in Table 7-1.

Table 7-1 Hypotheses and results

No.	Hypotheses	Result
H1	The availability of the buyer’s resources has a positive impact on the financial performance of the relationship for the seller.	Supported
H2	The level of a salesperson’s relationship focus has a positive effect on the availability of the buyer’s resources.	Supported
H3	The level of a salesperson’s relationship focus has a positive effect on the financial performance of the relationship for the seller.	Supported

7.3 Significance of the findings

This section discusses the findings of the current research as compared to previous research on relevant issues, including salesperson’s effort, learning, customer contact, service, selling, and coordination.

7.3.1 Salesperson’s effort for job performance

Compared to the existing sales literature, the current research supports the previous findings that higher level of salesperson’s effort is likely to be associated with better salesperson’s sales performance. The current research examines a salesperson’s relationship activity intensity in terms of the level of effort the salesperson devotes the activity for the customer. It differs from the majority of the existing effort studies in that it examines the effect of effort at individual relationship level. In addition, it specifies the activities on which the efforts are expended rather than measuring the overall effort. Researchers have criticised that measuring overall effort (e.g., S. P. Brown & Peterson, 1994; Krishnan et al., 2002) cannot provide much insight on which types of salesperson’s activities are effective in achieving good outcomes (Brashear et al., 1997). In addition, the current research covers a much broader sets of contemporary salesperson’s activities, such as consultative and adaptive selling and coordination, than some the existing effort studies (Christen et al., 2006; Jaramillo & Mulki, 2008) that do include some specific activities in their measuring of effort, such as “makes an effort to

improve managerial skills” (Christen et al., 2006), and “think about strategies”, “planning” and “keep good records” (Jaramillo & Mulki, 2008).

The qualitative phase of the research finds that regular customer contact and high level of service are vitally important for developing the relationship with the customer. Once a relationship is established, the buyer’s resources are potentially accessible to the seller for co-creation. However, only with appropriate activities, such as asking the right questions for the right information, can the salesperson achieve good level of access and use of the buyer’s resources and realise good relationship performance for the seller. Without engaging the customer in co-creation related dialogue or thinking deeply about how the business of the relationship can be improved, the potential usefulness of the buyer’s resources for co-creation cannot be fully explored. The salesperson needs to learn continuously about what resources the seller has that may be used in the relationship for co-creation, how value is created in the buyer’s business operation process, and how two firms’ resources can be combined and used in different ways for value co-creation. Thus, this research supports the argument that effort needs to be directed towards the right activities to be effective in obtaining desired outcomes (Jaramillo & Mulki, 2008). The findings of current research further suggest that effort needs to be examined at specific activity level.

7.3.2 Salespeople’s learning activity

The literature suggests that salespeople need to understand the products or services they are selling (Behrman & Perreault, 1982; Boles et al., 1996), the capabilities of the seller (Boles et al., 1996), and the resources of the seller (Davies et al., 2010; Plouffe et al., 2010). In addition, salespeople need to keep current on the developments in the relevant market (Wang & Netemeyer, 2004). Continuous learning helps salespeople to think strategically about the relationship and how to realise more value out of it. The literature also suggests that a sophisticated understanding of buyer’s business is important for identifying value co-creation opportunities in the relationship (Weitz & Bradford, 1999).

Consistent with the literature, the findings of current research suggest that a thorough understanding of buyer's business and seller's resources for co-creation is critically important for obtaining good relationship performance for the seller. In addition, the research shows that a salesperson's efforts in learning about the seller's resources for co-creation and the buyer's business are relevant to the availability of the buyer's resources. The qualitative phase of the current research finds that learning about the seller's resources builds up the competence for taking a "solution-focused" approach to the relationship and searching for co-creation opportunities in the customer's organisation. With the competence, the salesperson will be able to make good use of the contacts established within the customer's firm and to hold co-creation related dialogue with the relevant individuals in the customer's firm. On the other hand, with a better understanding of the buyer's business, especially about how value is created in the buyer's business operation process, the salesperson will be more capable of engaging the buyer in value proposition co-creation as he/she will be able to point out what value could be created for the buyer through the use of the seller's offerings. The buyer will thus be more likely to respond with useful information and to provide inputs for the solution co-creation.

The quantitative phase of the research shows that the standardised loadings for "learning about the seller's resources" and "learning about the buyer" dimensions are .73 and .75 respectively. Thus, over 50 percent of the variance in these two activity dimensions is explained by the salesperson's relationship focus level, which has significant and positive effect on both the availability of the buyer's resources and the relationship performance for the seller.

Overall the current research results suggest that to realise more relationship value through making better use of buyer's resources, a deep understanding of both the seller's resources and buyer's business is critically important. Salespeople should continuously improve their understanding of what seller can do for and with the buyer.

Salespeople should also continuously improve their knowledge about the buyer's business or industry so they will be able to engage the buyer in co-creation related dialogue and in turn to influence the availability of the buyer's resources and the relationship performance for the seller.

7.3.3 Salespeople's customer contact activity

The existing literature suggests that regular customer contact is extremely important for developing a customer relationship (Beverland, 2001), especially business contacts (Doney & Cannon, 1997), and strategic salespeople need to build deep relationship networks in the customer's firm (Davies et al., 2010). Socialising with the customer may provide an environment appropriate for reflective thinking about the value co-creation opportunities in the relationship, and innovative ideas may emerge (Geiger & Turley, 2005).

Consistent with the literature, the current research finds that regular customer contact is important for developing relationship with a customer. Customer contact establishes the condition that is important for gaining availability of the buyer's resources and obtaining good relationship performance for the seller. The qualitative phase of the current research finds that establishing relationship with multiple individuals in a buyer's organisation offers the salesperson a good position to hold dialogue with these individuals and to gain a better understanding of the buyer's business. More useful information and innovative ideas may be obtained from the buyer, and more ways of combining two firms' resources for co-creation may be identified. Socialising with a buyer, in particular, provides an informal atmosphere for having co-creation related dialogue with them, such as asking the buyer what is going on in their organisation and what else the seller can do for or with them. Innovative ideas may emerge during the dialogue. The dialogue is more likely to happen when trust is already established with the customer.

The quantitative phase of the research shows that the standardised loading of "customer

contact” is .76. Thus, over 50 percent of the variance in this activity dimension is explained by the salesperson’s relationship focus level, which is positively associated with both the availability of the buyer’s resources and the relationship performance for the seller.

Overall, customer contact develops the relationship with the customer, and facilitates the co-creation related dialogue with the customer. The customer will be willing to be involved in co-creation. Customer contact helps the salesperson to learn about the customer’s business and to obtain useful information and innovative ideas from the customer. Co-creation opportunities may be identified during customer contacts. Therefore customer contact is relevant to the availability of the buyer’s resources and the relationship performance for the seller.

7.3.4 Salespeople’s service activity

The literature suggests that providing a high level of service or post-sales support is an important means for developing customer relationship (Beverland, 2001; Boles et al., 1996; Manning & Reece, 2007), and is becoming more important in today’s market environment as buyers are emphasising solutions or service as well as products (Sheth & Sharma, 2008). Researchers find that activities related to servicing the customer have positive influence on the level of the salesperson’s performance (Brashear et al., 1997). In addition, regularly relaying product information to the customer after initial sale has a positive effect on customers’ satisfaction, which in turn leads to customers’ trust, and then to share of customers’ business (Ahearne et al., 2007).

The qualitative phase of the research shows that service is critically important for developing relationship with customers, which is consist with the literature. Salespeople should be able to develop the relationship to a level that the customers are willing to commit to the relationship and to invest. They should be able to supply relevant information to customers, and to do so, they should know well what information is

available from the seller and which information will be useful for the customers. They also need to know well what services the seller offers and which services will be of value for the customers. Whether they will be able to charge the customer for the service will be based on the specific situation of the relationship and the seller firm's strategy for the customer. For example, the seller may offer a customer a service with no charge for developing a long-term relationship with the customer.

The quantitative phase of the current research supports the existing literature in that, as a dimension of the salesperson's relationship focus level, which has positive effect on the relationship performance for the seller, service contributes to the relationship performance for the seller. In addition, as a dimension of the salesperson's relationship focus, it also contributes to the availability of the buyer's resources. The standardised loading of "service" dimension is .78, and thus 61 percent of variance in "service" is explained by "relationship focus".

Overall, the findings suggest that service is likely to establish a co-creation atmosphere in the relationship, which in turn facilitates the co-creation process and thus value realisation process.

7.3.5 Salespeople's selling

The existing literature suggests that salespeople have started practicing consultative or solution selling and adaptive selling (Marshall et al., 1999; Moncrief et al., 2006). While consultative/solution selling has not been operationalised, adaptive selling has been. Researchers find that adaptive selling behaviour has positive effect on the salesperson's performance in the contexts of modified rebuy and new buy situation (Porter et al., 2003), and argue that it is appropriate in the contexts where customers' needs variability is high, the offerings are complex, and the customer affords significant long-term profit potential (Giacobbe et al., 2006).

The current research measures the selling activity that covers both consultative/solution

selling and adaptive selling. The qualitative phase of the current research finds that important elements of selling include clarifying what the customer really wants, identifying business opportunities, identifying or creating appropriate solutions for the customer, and preparing on how to communicate with the customer about the offering. In addition, business opportunities may be identified through careful listening and observation during customer contact, or discussing with the customer, or thinking deeply about how things can be improved in the relationship.

The quantitative phase of research finds that, as an important dimension of salesperson's relationship focus, selling is likely to contribute to both the availability of the buyer's resources and the relationship performance for the seller. "Selling" has the highest standardised loading (.92) among all the six activity dimensions, and thus 85 percent of variance in "selling" is explained by "relationship focus". Among the six measurement items retained, two items – "plan how to approach buyer", and "clarify value of offering" – are for measuring adaptive selling. Thus the finding supports the existing literature in that adaptive selling is important for effective solution selling.

7.3.6 Salespeople's coordination

Researchers have repeatedly stressed the importance of salespeople's role of orchestrating intra-organisational resources to meet customers' requirements (e.g., Guenzi, 2002; Ingram, 2004; Jones, Brown et al., 2005), and suggest that coordination is likely to have positive impact on the salesperson's performance (Plouffe & Barclay, 2007). Sengupta et al. (2000) find that a key account representative's ability to obtain internal resources for serving the customer account has a positive effect on the effectiveness of the representative. However, there is a lack of research on coordination effort (Ingram, 2004).

The qualitative phase of the current research finds that, consistent with the literature, salespeople need to be able to obtain useful internal and/or external resources for serving customers' needs. In addition, coordination requires careful management or

planning of what resources are needed for co-creation. Salespeople need to plan for or with the customer on the objectives to be reached or the activities to be carried out. They need to communicate with the relevant actors about the objectives and to make sure that they carry out the objectives. When problems arise, they need to communicate with the relevant individuals to get the problems solved. The qualitative findings support the existing literature that coordination problems occur due to lack of shared and accurate knowledge about the decision rules of others and how one's own actions are interdependent with those of others (Gulati et al., 2005), and frequent, timely and problem solving communication can help to achieving high level of coordination (Gittell, 2000).

The quantitative phase of the current research finds that as a dimension of salesperson's relationship focus, coordination contributes to both the relationship performance for the seller and the availability of the buyer's resources. The standardised loading of "coordination" dimension is .69, and thus .48 percent of the variance in "coordination" is explained by "relationship focus". The measurement items retained for the coordination are "discuss selling strategies with others", "plan objectives to be reached together", "share objectives with others", and "carry out objectives with others". The items reflect that effective and efficient communication with relevant others are important activities of coordination. Therefore, the current study clarifies the activities salespeople carry out for coordination, and shows that effort in coordination is relevant to the relationship performance for the seller and the availability of the buyer's resources.

7.3.7 Availability of a buyer's resources

The literature suggests that value is co-created through the integration of both relationship parties' resources (Vargo & Lusch, 2008, 2011), and relational rent generation may be influenced by the relationship-specific investments made by the two relationship parties, the complementary resources of the two firms, the governance structure of the relationship and the knowledge sharing routines between the two firms

(Dyer & Singh, 1998). Specifically from the supplier's perspective as taken in this study, such resource integration requires the availability of the buyer's resources to the seller. However, the availability of the buyer's resources, that is the level of buyer's resources that are accessed and used for relationship value co-creation, has not been conceptualised and examined in research to date. As buyer's resources are part of the overall resources for co-creation, it is important to examine how their availability impacts on the seller's relationship performance and how this availability can be influenced. This research thus proposes the construct of the availability of the buyer's resources and examines how this construct is influenced by the salesperson's relationship focus level or the salesperson's relationship activities.

The quantitative research results of this study show that the availability of the buyer's resources is significantly and positively associated with the relationship performance for the seller as shown in Figure 6-3. This supports the literature that value is jointly created in the relationship through the integration of the two firms' resources (Vargo & Lusch, 2008). The significant influence of the salesperson's relationship focus on the availability of the buyer's resources suggests that salespeople play important role in co-creation. They do so through devoting their efforts or attention to the activities that are relevant to gaining access to and making use of the buyer's resources for co-creation.

7.3.8 Salesperson's relationship focus

Salesperson's relationship focus is an attribute of the salesperson proposed in the current study for exploring the salesperson's role in co-creation. The research results show that this relationship focus is significantly and positively associated with both the availability of the buyer's resources and the relationship performance for the seller. The standardised loadings of the six activities show that selling has the highest loading of .92, and the remaining five activities have loadings ranged from .69 to .78. On average, 60 percent of the variance in the intensity levels of the six activities is explained by the salesperson's relationship focus level.

The significance of the loadings of the six activities show that if a salesperson is motivated to realise more potential value from a relationship, he/she will direct his/her relationship activities towards making effective use of the resources of both the seller and the buyer. He/she will be likely to provide high level of service to the customer, and to plan his/her contact with the customer carefully for engaging the customer in co-creation related dialogue and to develop the relationship. He/she will think deeply on how things could be improved in the relationship. He/she will build relationship with relevant others and to keep in timely, frequent, and problem-solving communication with these people for coordinating the co-creation process.

The results support the literature that, to realise the potential value of a customer relationship for the seller in the contemporary market, the salesperson should take the responsibility of managing customer relationship, developing deep understanding of the buyer's business, providing high service or product support, coordinating with other functional departments in the seller's firm and other relevant third parties for serving the buyer's needs, taking a solution approach to the relationship, and being adaptive in selling (Moncrief et al., 2006). By doing so, salespeople are likely to obtain good relationship outcomes for the seller.

7.3.9 Financial performance of the relationship for the seller

The qualitative phase of the study finds that salespeople who are successful in gaining high availability of the buyer's resources are likely to identify cross-selling opportunities and to gain a good share of the buyer's business. They also work to gain good margin for the sell firms, that is, to gain a good share of the value co-created in the relationship for the seller. During the quantitative phase of the study, four items are retained for measuring the financial performance of the relationship for the seller: "achieving sales targets", "share of business", "cross-selling" and "margin". The study finds that both salesperson's relationship focus level and the availability of the buyer's resources are significantly associated with the financial performance of the relationship for the seller. The findings provide empirical support that relationship value creation is

reciprocal.

7.4 Contribution to knowledge

7.4.1 Availability of a buyer's resources

In business-to-business relationships, relationship value is co-created through the integration of two relationship parties' resources. However, the impact of the availability of the buyer's resources on the relationship performance for the seller has not been examined in the research literature to date. In addition, whether this availability can be influenced by individual actors, such as the salesperson, has not been examined. This research thus makes a contribution to the theory by developing the construct of the availability of the buyer's resources, and by identifying how this availability is influenced by the salesperson's activities or relationship focus. This research also empirically shows that the availability of the buyer's resources has significant positive impact on the relationship performance for the seller.

7.4.2 Salesperson's relationship focus

The salesperson's relationship focus is proposed in the current study as a higher-order construct that directs a salesperson's relationship activities. It is significantly associated with both "buyer's resources" and "performance". Thus the current research makes a contribution to the literature by clarifying an attribute of the salesperson (i.e., the salesperson's relationship focus) and a set of relationship activities that are relevant to achieving high availability of the buyer's resources and good relationship performance for the seller. The results suggest that to involve a buyer in co-creation, the salesperson needs to expend effort on learning about the seller's resources, learning about the buyer, customer contact, service, selling, and coordination.

The qualitative research of the current study shows that different activities may influence the availability of the buyer's resources differently. Customer contact and service are vitally important to maintain and develop the relationship with the customer. The relationship enables the potential access to the buyer's resources that are useful for

co-creation. To actually make use of these potentially useful resources, the salesperson needs to deepen his/her understanding of the buyer's business and to engage the buyer in co-creation related dialogue in each customer contact, and to think deeply how more value can be co-created in the relationship. He/she also needs to learn continuously to be able to hold the dialogue with the buyer, to identify business opportunities in the relationship, to convince the buyer and the seller to invest in the relationship and to coordinate the co-creation activities. All the six activities are intertwined.

The measurement model examination shows that all the six activity dimensions of the salesperson's relationship focus are associated with each other. In addition, the structural model examination indicates that selling is the strongest indicator of salesperson's relationship focus. Service comes next, followed by customer contact, learning about the buyer, learning about the seller's resources, and coordination.

In the current study, selling covers both consultative/solution selling and adaptive selling. The literature suggests that, to be effective in selling, salespeople have started practicing on consultative selling or solution selling and adaptive selling (Marshall et al., 1999). While adaptive selling behaviour has been operationalised in the literature (e.g., Porter et al., 2003), consultative/solution selling has not been. Thus, this research also makes a contribution in the scale development of selling. The six items retained in the current research show good fit indices in construct validity testing.

This research also develops the scale for measuring coordination effort and provides empirical evidence on its role in co-creation. Sales researchers have noted the importance of salesperson's coordination effort and the lack of research in the area (Ingram, 2004), especially the communication issues (Jones, Brown et al., 2005). The current research operationalises the construct, and thus makes a contribution. The items retained show good fit indices in construct validity testing. Items retained for this construct are "discuss selling strategies with others", "plan objectives to be reached

together”, “share objectives with others”, and “carry out objectives with others”. These items show that communication is the key to achieve high level of coordination.

7.4.3 Financial performance of the relationship for the seller

This research makes a contribution to theory by explicitly showing the significant impact of the availability of the buyer’s resources and the salesperson’s relationship focus on the financial performance of the relationship for the seller. The research result shows that 51 percent of the variance in the financial performance is explained by these two factors. With relationship focus, the salesperson will expend effort on obtaining the support needed from the relevant actors in the seller’s firm. The salesperson also contributes to relationship value realisation through applying his/her expertise developed in the field and identifying the co-creation opportunities in the relationship with the customer. Thus, realising relationship value is associated with the buyer’s resources, the seller’s resources pulled together by the salesperson’s effort and the salesperson’s expertise, which identifies which resources of the two firms that can be used together for co-creation.

7.5 Managerial implications

This section discusses the managerial implications that are based on the findings of the current research.

7.5.1 Making good use of buyer’s resources for co-creation

The current research finds that the availability of the buyer’s resources partially mediates the effect of salesperson’s relationship focus on the relationship performance for the seller. Salesperson’s can change the level the buyer’s resources are accessed and used for co-creation, and thus change the relationship outcome for the seller. The relevant activities may include learning about the seller’s resources, learning about the buyer, customer contact, service, selling and coordination. While service helps to establish the co-creation climate, customer contact may offer chances for co-creation related dialogue. Both are useful for gaining a deeper understanding of buyer’s business

and how the seller may support the buyer's business and co-create value with the buyer. By developing a sophisticated knowledge about the seller's products/services, resources/capabilities, and developments, the salesperson will be much more likely to take a solution approach to the relationship, making good use of the multiple contacts established within the buyer's firm and to search for co-creation opportunities. Thorough understanding of the buyer's business helps to engage the buyer in co-creation related dialogue and be effective in the communication. Coordination draws on relevant resources and facilitates the co-creation activities of the relevant parties.

The results suggest that managers should direct their salespeople's efforts towards obtaining customer's willingness to allocate resources to the relationship and helping with making good use of the customer's resources that are potentially accessible through relationship. Salespeople need to think deeply about what seller can do to help with the buyer's value creation process, and to help the seller to gain a good/fair share of the value co-created. They need to make good use of every opportunity of regular customer contacts and service contacts to understand buyer's business, their resources and capabilities that are complementary to the seller's, and to engage the customer in co-creation related dialogue. They need to plan in advance for each customer visit and make it oriented towards value co-creation. They should keep alert on what is happening in the customer's company, what their future plans are, and whether there are any opportunities in different departments in the customer's company. In addition, the way salespeople sell should orient towards solution co-creation, where the chances for higher margin will be higher, and the competitors would feel it hard to compete without the insider knowledge. Salespeople also need to be able to persuade the two firms to allocate the relevant resources to the relationship for co-creation once an opportunity is identified and to coordinate the co-creation process. The coordination requires careful planning of the activities to be carried out, objectives to be achieved and resources needed. It also requires frequent, timely, problem-solving communication with the relevant individual actors within the seller's firm, the buyer's firm and other relevant

third parties' firms.

Seller firms may also help their salespeople to be successful through motivating salespeople's learning, developing salespeople's competence in solution selling and introducing useful systems for coordination. The issues are discussed next.

7.5.2 Motivating continuous learning

The current research finds that learning about the seller's resources has direct significant and positive effect on the relationship performance for the seller, and learning about the buyer is likely to have direct positive effects on both the relationship performance for the seller and the availability of the buyer's resources. The findings suggest that salespeople need to keep on learning about the buyer's business and the seller's resources and how the seller can help with different types of customers with their value creation. The learning can broaden salespeople's understanding of what the seller can offer and what resources/capabilities the seller has that could be of value for different types of customers, and thus help salespeople to identify co-creation opportunities in customer relationships.

Seller firms can help their salespeople with the learning through many ways. The ways interviewees suggest include establishing an archive on how values are created for different types of customers through the use of the seller's offering, providing regular training to their salespeople, and organising customer visits or inviting customers to talk about their business and what they value about the seller's offering.

Seller firms also need to motivate their salespeople to contribute to the development of the archive and foster an appropriate cultural environment for the knowledge sharing among the selling team. The qualitative phase of the current research finds that salespeople may not be willing to record or share all the key things they know about the relationship. In addition, salespeople may not be aware of which things they know will be of value for other salespeople, especially because salespeople's relationship learning

is relationship-specific and context-specific (Turley & Geiger, 2006). According to the literature, informal “hall talk” (Jaworski & Kohli, 1993), informal meetings (K. R. Evans & Schlacter, 1985; Moss, 1979), socialising (Bennett, 2001), apprenticeship (Nonaka, 1994) or coaching may be appropriate for the learning, and firms need to foster a cultural environment of learning as it will influence employees’ learning behaviours (Baker & Sinkula, 1999).

7.5.3 Developing competence in solution selling

The current research finds that selling is likely to have direct positive impact on the relationship performance for the seller. The findings suggest that salespeople need to be able to think deeply about how the relationship outcomes could be improved for both firms. They need to identify customer’s real needs/requirements and to find out appropriate products/services for the customer or co-create solutions with the customer. They also need to plan carefully on how to approach the customer for each selling opportunity and to co-create value propositions with the customer. They need to clarify the value of the offering for the customer, especially when the customer has not decided whether to purchase the offering or not.

Seller firms can help their salespeople to develop their competence in solution selling through training, providing different scenarios for salespeople to practice on how to approach the customer and developing a database recording the value of the offering for different types of customers, keeping salespeople updated about the developments in the relevant fields that may influence the chances for co-creation with the firm’s customers.

7.5.4 Developing systems for coordination

The current research finds that coordination has a significant and positive direct impact on the availability of the buyer’s resources, which has significant and positive effect on the relationship performance for the seller. The research finds that selling process is likely to involve a lot of other individual actors from the seller’s firm, the customer’s firm, and sometimes may involve other third party companies. Thus coordination

requires the planning of the activities, objectives of the relevant actors and the resources needed. Effective and efficient communication with the relevant actors is important for achieving the objectives.

The results suggest that seller firms can develop systems to help their salespeople with achieving effective and efficient communication within the seller's firm. Appropriate organisational structure and performance evaluation system, and regular meetings will help salespeople to obtain internal resources needed for co-creation efficiently.

7.5.5 Directing sales efforts towards resource-rich customers

The current research finds that the effect of the salesperson's relationship focus level on the relationship performance for the seller is moderated by the customer's firm size. This suggests that relationship focus will be more effective in achieving good relationship performance if the customer is resource-rich. The literature suggests that the scale and scope of the complementary resources the two relationship parties have important implications for relational rent generation (Dyer & Singh, 1998; Lavie, 2006). Seller firms may need to evaluate the potential value of each customer relationship based on the extent the buyer's resources are complementary to the seller's resources and direct their salespeople's efforts towards resource-rich ones.

7.6 Limitations of the research

Although the model has support from the literature, certain conceptual and methodological limitations constrain the conclusions that can be drawn from these findings.

First, only linear relationships were investigated in the current research. Also the model specifies recursive relationships between constructs that are clearly interrelated over time. Thus, no definitive conclusion can be reached as to process or cause and effect. The relationships identified in this study are cross-sectional in nature; thus, assigning cause must be done with a degree of caution. However, it is important to note that these

limitations are consistent with previous models of working relationships, and therefore, the findings are consistent with both theory and sales practice.

The measures for relationship focus and the availability of the buyer's resources originally had larger number of items. But the measurement model testing results suggest that some items had low inter-item correlation and low loadings. By discarding items that had these problems, the model fit level improved, but the richness of the underlying constructs were reduced.

In addition, although the data come from professional salespeople across multiple industries and the offerings of the seller firms range from pure product to pure service, and years of sales experience and of relationship with the customer range from less than one year to over 20 years, all respondents are located in New Zealand. In addition, a large percentage (> 85 percent) of the respondents is from managerial level. The model cannot be generalised to other contexts without additional testing.

7.7 Implications for future research

The mediation effect examination shows that the effect of salesperson's relationship focus on "performance" is partially mediated by "buyer's resources". There may well be other mediators between salesperson's relationship focus and "performance". The mediators may include the quality of communication between the seller and the buyer and the availability of seller's resources (i.e., the level the seller's resources are accessed and used for co-creation). The literature suggests that communicative interaction could lead to identification of new business opportunities (Ballantyne & Varey, 2006b), and value is co-created through the integration of the buyer's and the seller's resources (Vargo & Lusch, 2008). The salesperson's relationship focus is likely to establish customer's trust and in turn improves the quality of communication between the two firms. Salesperson's relationship focus is also likely to gain more of the seller's resources for the relationship. Future research can explore these other mediators.

The current research identifies a list of salesperson's activities that can contribute to the availability of the buyer's resources. The results may be specific to the sample. Future research is needed to investigate whether the results are generalisable in other contexts. In particular, coordination may need further investigation. Guesalaga & Johnston (2010) argue that the topic of "internal alignment" aimed at the customer will be a fruitful area for future research.

In addition, current research finds that 29 percent of variance of the availability of the buyer's resources is explained by the salesperson's relationship focus level. Still 71 percent of the availability of the buyer's resources needs to be explained. Research is needed to explore further what other factors may influence the availability. One possible factor would be seller's relationship-specific investment. Existing literature shows that seller's relationship-specific investment positively influences customer's trust, commitment, which in turn can lead to positive relationship outcomes for the seller (e.g., Palmatier et al., 2006; Walter & Ritter, 2003). This suggests that if sellers could identify the value co-creation opportunities and make relationship-specific investment first, buyers are likely to be more committed to the relationship and make relationship-specific investments, and thus the level of the availability of the buyer's resources for co-creation will be higher. Both parties can be better off with more resources combined and used for value co-creation.

Further, future research can investigate what organisational mechanisms would influence salesperson's relationship focus level. Researchers note that previous theories do not recognise the importance of the capabilities related to managing customer relationships and the resources available through the relationship in the increasingly dynamic market environment (Storbacka & Nenonen, 2009). As selling process or solution co-creation process is likely to involve people from different functional departments, it is important to find out, at organisational level, how firms manage the inter-firm coordination process effectively and efficiently. Using "core selling team"

(Arnett & Badrinarayanan, 2005) or “sales unit” (Menguc & Barker, 2005) as the analysis unit may be useful for obtaining insights.

Another future research area would be to explore how firms effectively manage customer relationship knowledge that is related to inter-firm resource integration, such as how they obtain knowledge from their salespeople and help their salespeople to develop the knowledge and competence in identifying resource integration or co-creation opportunities. This research shows that understanding how value is created in the customer’s use situation can be used for identifying selling opportunities in other relationships. The knowledge is transferrable and thus can lead to positive knowledge “spillover” value (Madhok & Tallman, 1998; Mayer, 2006) for the seller firm. Thus it would be important to research what types of mechanisms may help firms to manage their customer knowledge and make good use of the knowledge.

7.8 Conclusions

The research problem focuses on how the salesperson influences the level the buyer’s resources are accessed and used for co-creation in the relationship, and by doing this, helps the seller to realise the potential relationship value. The findings are relevant from a theoretical, empirical, and managerial perspective to sales management and customer relationship management.

Theoretically, the current research investigates the role a salesperson plays in realising potential relationship value for the seller. It investigates this role through examining how the salesperson’s relationship focus level influences the availability of the buyer’s resources for co-creation and the relationship performance for the seller. It thus proposes and operationalises two constructs: the availability of the buyer’s resources and salesperson’s relationship focus level. Relationship focus directs the salesperson’s effort to the activities that are relevant to realising potential value of a relationship for the seller.

The empirical results show that the availability of the buyer's resources is significantly and positively associated with the relationship performance for the seller, and the salesperson's relationship focus level is significantly and positively associated with both the availability of the buyer's resources and the relationship performance for the seller. The results suggest that the salesperson can make a difference in the level the buyer's resources are accessed and used for co-creation as well as the relationship performance.

This study shows that, with a certain level of relationship focus, salespeople may expend efforts on six different types of activities for achieving a good level of availability of buyer's resources and relationship performance for the seller: learning about the seller's resources, learning about the buyer, customer contact, service, selling and coordination. While learning about the seller's resources, learning about the buyer and selling are critically important for identifying the co-creation opportunities and thus realising relationship value for the seller, customer contact and service develop the relationship with the buyer and thus enable the potential access to the buyer's resources that are useful for co-creation. In addition, customer contact and service provide chances to deepen the salesperson's understanding of the buyer's business and holding dialogue with the buyer for co-creation. Opportunities may be identified through this communication. Coordination aligns the activities of the two firms and other relevant third parties for co-creation. As the relevant activities are aligned, the relevant resources of these relevant parties will be aligned in a way that is oriented towards each other.

The research also provides important managerial implications. Seller firms should help their salespeople with developing their expertise for co-creation, and building up competence in solution selling. Seller firms should also establish an organisational structure that facilitates efficient coordination within the seller's firm. Seller firms should also direct their salespeople's efforts towards the customers who have a high level of resources that are complementary to the seller's resources.

Appendices

Appendix 3.1 Ethics approval for the qualitative phase of this study



MEMORANDUM

Auckland University of Technology Ethics Committee (AUTEC)

To: Roger Baxter
From: **Madeline Banda** Executive Secretary, AUTEC
Date: 30 June 2008
Subject: Ethics Application Number 08/113 **The process of realising intangible business relationship value - the role of the salesperson.**

Dear Roger

Thank you for providing written evidence as requested. I am pleased to advise that it satisfies the points raised by a subcommittee of the Auckland University of Technology Ethics Committee (AUTEC) at their meeting on 19 May 2008 and that on 25 June 2008 I approved your ethics application. This delegated approval is made in accordance with section 5.3.2.3 of AUTEC's *Applying for Ethics Approval: Guidelines and Procedures* and is subject to endorsement at AUTEC's meeting on 14 July 2008.

Your ethics application is approved for a period of three years until 25 June 2011.

I advise that as part of the ethics approval process, you are required to submit the following to AUTEC:

- A brief annual progress report using form EA2, which is available online through <http://www.aut.ac.nz/about/ethics>. When necessary this form may also be used to request an extension of the approval at least one month prior to its expiry on 25 June 2011;
- A brief report on the status of the project using form EA3, which is available online through <http://www.aut.ac.nz/about/ethics>. This report is to be submitted either when the approval expires on 25 June 2011 or on completion of the project, whichever comes sooner;

It is a condition of approval that AUTEC is notified of any adverse events or if the research does not commence. AUTEC approval needs to be sought for any alteration to the research, including any alteration of or addition to any documents that are provided to participants. You are reminded that, as applicant, you are responsible for ensuring that research undertaken under this approval occurs within the parameters outlined in the approved application.

Please note that AUTEC grants ethical approval only. If you require management approval from an institution or organisation for your research, then you will need to make the arrangements necessary to

obtain this.

When communicating with us about this application, we ask that you use the application number and study title to enable us to provide you with prompt service. Should you have any further enquiries regarding this matter, you are welcome to contact Charles Grinter, Ethics Coordinator, by email at charles.grinter@aut.ac.nz or by telephone on 921 9999 at extension 8860.

On behalf of the AUTC and myself, I wish you success with your research and look forward to reading about it in your reports.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Banda', with a stylized flourish at the end.

Madeline Banda

Executive Secretary

Auckland University of Technology Ethics Committee

Cc: Annie Liqin Zhang azhang@aut.ac.nz, AUTC Faculty Representative, Business

Appendix 3.2 Ethics approval for the quantitative phase of this study



MEMORANDUM

Auckland University of Technology Ethics Committee (AUTEC)

To: Roger Baxter
From: **Madeline Banda** Executive Secretary, AUTEC
Date: 15 June 2010
Subject: Ethics Application Number 10/113 **The salesperson's role in the realisation of the potential value of a business buyer-seller relationship.**

Dear Roger

Thank you for providing written evidence as requested. I am pleased to advise that it satisfies the points raised by a subcommittee of the Auckland University of Technology Ethics Committee (AUTEC) at their meeting on 3 June 2010 and that I have approved your ethics application. This delegated approval is made in accordance with section 5.3.2.3 of AUTEC's *Applying for Ethics Approval: Guidelines and Procedures* and is subject to endorsement at AUTEC's meeting on 12 July 2010.

Your ethics application is approved for a period of three years until 15 June 2013.

I advise that as part of the ethics approval process, you are required to submit the following to AUTEC:

- A brief annual progress report using form EA2, which is available online through <http://www.aut.ac.nz/research/research-ethics>. When necessary this form may also be used to request an extension of the approval at least one month prior to its expiry on 15 June 2013;
- A brief report on the status of the project using form EA3, which is available online through <http://www.aut.ac.nz/research/research-ethics>. This report is to be submitted either when the approval expires on 15 June 2013 or on completion of the project, whichever comes sooner;

It is a condition of approval that AUTEC is notified of any adverse events or if the research does not commence. AUTEC approval needs to be sought for any alteration to the research, including any alteration of or addition to any documents that are provided to participants. You are reminded that, as applicant, you are responsible for ensuring that research undertaken under this approval occurs within the parameters outlined in the approved application.

Please note that AUTEC grants ethical approval only. If you require management approval from an institution or organisation for your research, then you will need to make the arrangements necessary to obtain this. Also, if your research is undertaken within a jurisdiction outside New Zealand, you will need to make the arrangements necessary to meet the legal and ethical requirements that apply within that jurisdiction.

When communicating with us about this application, we ask that you use the application number and study title to enable us to provide you with prompt service. Should you have any further enquiries regarding this matter, you are welcome to contact Charles Grinter, Ethics Coordinator, by email at ethics@aut.ac.nz or by telephone on 921 9999 at extension 8860.

On behalf of the AUTECH and myself, I wish you success with your research and look forward to reading about it in your reports.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Madeline Banda'.

Madeline Banda

Executive Secretary

Auckland University of Technology Ethics Committee

Cc: Annie Liqin Zhang azhang@aut.ac.nz, AUTECH Faculty Representative, Business and Law

Appendix 6.1: Item details in the questionnaire

Construct	Item label	Item details
Learning about the seller's resources	Understand seller's offering	Improving your understanding of your company's products/services for serving this customer
	Understand seller's resources	Improving your understanding of your company's capabilities/resources for serving this customer
	Keep abreast of seller's development	Keeping abreast of the developments in the industry in which your company operates for serving this customer
Learning about the buyer	Keep abreast of buyer's development	Keeping abreast of the developments in the industry in which this customer operates
	Understand buyer's business	Understanding this customer's business, such as their goals and objectives
	Understand buyer's long-term needs	Understanding this customer's long-term needs
	Understand buyer's value creation mechanism	Understanding how value is created for this customer through the use of your company's offering
	Understand buyer's individuals' job role	Understanding the individuals you are dealing with in this customer's organisation, such as their roles in their organisation, how they think, make decisions, and do their jobs
	Understand buyer's political issues	Understanding the factors outside of your main contacts' control that can affect buying decisions within this customer's company
Customer contact	Build multiple relationships with buyer	Building strong relationships with multiple individuals within this customer's company
	Keep in regular business contact with buyer	Keeping in regular business contact with multiple individuals within this customer's company

Appendix 6.1: Item details in the questionnaire (continued)

Construct	Item label	Item details
Customer contact	Socialise with buyer	Socialising with your main contacts within this customer's organisation
Service	Checking customer satisfaction	Checking on whether this customer is satisfied with the overall offering you've provided to them
	Prompt service	Providing prompt service in response to this customer's requests
	Supply information to buyer	Supplying information to this customer in a timely manner
	Build internal relationship for serving buyer	Building strong relationships with multiple individuals within this customer's company
	Build third party relationship for serving buyer	Building strong working relationships with other people in your company for serving this customer
Selling	Forecast profit	Forecasting the profit from this customer for your company
	Identify new product ideas	Analysing this customer's product use experience to identify new product/service ideas
	Identify buyer's needs	Identifying this customer's new needs through careful listening or observation during customer visits
	Identify opportunity through thinking	Identifying new business opportunities through thinking about how things can be improved in the relationship
	Identify opportunity through buyer discussion	Identifying this customer's new needs or new business opportunity for the relationship through discussion with this customer
	Clarify buyer's requirement	Clarifying this customer's real requirements through correct questioning
	Identify solution	Trying to find out which kinds of products/services would be most helpful to this customer
	Generate creative solution	Generating creative solutions for this customer

Appendix 6.1: Item details in the questionnaire (continued)

Construct	Item label	Item details
Selling	Plan how to approach buyer	Planning on how to approach the selling situation when new business opportunities are identified
	Consider how to communicate	Considering how to communicate to the customer in a way that they can understand
	Clarify value of the offering	Clarifying the benefit of your offering for this customer
Coordination	Obtain internal resources for buyer	Obtaining your company's resources for serving this customer's needs
	Persuade manager to invest in relationship	Persuading your managers to invest in this customer relationship
	Discuss selling strategies with others	Discussing selling strategies for this customer with people from various departments in your company
	Plan objectives to be reached together	Planning the objectives to be reached with this customer
	Share objectives with others	Making sure that the objectives are shared among the relevant individuals within your company, this customer's company, and the relevant third party companies
	Carry out objectives with others	Making sure that the arrangements as per the objectives between the relevant parties are carried out
	Work with others to ensure satisfaction	Working very closely with other employees in your company or in other third party companies to ensure the satisfaction of this customer
	Coordinate with others to solve problems	Coordinating very closely with other employees in your company or in other third party companies to solve post-sales problems for this customer
	Manage cost	Managing the cost for serving this customer's needs

Appendix 6.1: Item details in the questionnaire (continued)

Construct	Item label	Item details
Availability of buyer's resources	Buyer's useful information	Information that is useful for identifying and addressing their needs
	Buyer's expertise	Expertise that is useful for developing business with your company
	Buyer's innovative ideas	Innovative ideas that are useful for developing business with your company
	Buyer's relationship investments	Investments that are needed specifically for doing business with your company, e.g., staff training, or adaptations in their systems or procedures
	Buyer's joint work with seller	Joint work with your company on issues such as product development, cost-cutting, long-range plans, or staff training
	Buyer's physical facilities	The physical facilities, equipment or materials that are needed for doing business with your company
	Buyer's money	Money that is needed for doing business with your company
	Buyer's organisational resources	Organisational capital resources that are useful for your company, such as their databases, technology, market information, or brands
	Buyer's third party relationships	Relationships with other third parties that are useful for your company
	Buyer's future developmental plans	Future developmental plans that may lead to future selling opportunities for your company
Financial performance	Achieving sales targets	Meeting sales targets and objectives
	Share of business	Improving your company's share of this customer's business
	Cross-selling	Making sales to them from multiple product or service divisions
	Margin	Making high margins
	Economic use of seller's resources	Improving the economic use of your firm's resources

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