WINNING SALES BEFORE SELLING: 
AN INVESTIGATION OF BUSINESS-TO-BUSINESS SALESPERSON 
ATTITUDE TOWARDS INTERNAL SELLING PROCESSES

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“We have an ongoing joke that sometimes it’s just harder, it’s harder to sell within [firm name] than with outside of [firm name].”

“Internal processes are a large reason why people leave, because they want to have more time selling and not worry about going through the [firm name] chain of command for the right approvals. It’s a difficult process. It’s the hardest thing I’ve ever dealt with in any sales role, dealing with [firm name] internal processes.”

“Internal battle”

“Internal terrorists”

Note: B2B = Business-to-Business
Despite the lack of academic research, anecdotally:

- One global manufacturer reported their inside and field reps spend 75% and 45% of their time, respectively, dealing with internal sales support and tracking the progress of deals (Nottebohm, Stephenson, and Wickland 2011).
Internal Selling Process

Focus of this research: **Internal Selling Process**

Coordinating the promise

Internal Marketing

Enabling the promise

External Marketing

Making the promise

Salesperson

Delivering the promise

Interactive Marketing & External Selling

Seller Firm

Buyer Firm

Other Buyers

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Motivations

1. **Personal selling and sales management research:**
   - Customer-facing activities: received much academic attention
   - Research on Internal selling: very sparse, especially the role of salespeople as a boundary spanner in the internal organization
     ➔ **Need to examine** INTERNAL SELLING PROCESSES (ISPs)
   - Primary focus: the focus has been on task-based processes
     ➔ **Is there a distinction between** task vs. human-based (i.e., interpersonal) processes?

2. **Cross-functional coordination research:**
   - Interface content: focused on innovation/R&D/between sales and marketing
     ➔ **Need to better understand** the interface between the sales force and other functions
   - Integration mechanism: focus on reducing cross-functional conflicts
     ➔ **Need to understand** individual differences in perceiving and dealing with cross-functional conflicts

3. **Structural marketing research:**
   - Firm-level research: Renewed interests in the role of structure in driving marketing outcomes
   - Micro-level research: Structure influences employee behavior
     ➔ **Need to understand** the underlying mechanism of how structure influences employee behavior

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1. Foci in Selling & Sales Management Research

- Salesperson role perception, job attitude, and organizational commitment
  Brown and Peterson 1993; MacKenzie et al. 1998; Michaels et al. 1988; Singh et al. 1996

- Internal Marketing
  Berry and Parasuraman 1992

- Salesperson-Customer Interactions
  Saxe and Weitz 1982

- Sales Force Control and Sales leadership (formal and informal)
  Oliver and Anderson 1994; Ahearne et al. 2010

- Team selling
  Ahearne et al. 2010; Moon and Armstrong 1994

2. Foci in Cross-Functional Research

- RG1. Cross-functional interface between sales and other functions
  Marketing-Sales Interface
  Kotler et al. 2006; Homburg and Jensen 2007

- RG2. Internal selling processes (ISPs)
  Structure and salesperson role conflict
  Michaels et al. 1988; Singh et al. 1996

  Internal navigation
  Plouffe, Sridharan, and Barclay 2007

- RG3. Dimensions of ISPs

- RG4. Nomological network of salesperson perception of ISPs

- Key account management and configuration
  Workman et al. 2003

- Customer Centricity
  Homburg et al. 2000; Lee et al. 2014

  Integration Mechanisms
  Maltz and Kohli 2000

- Marketing and Finance
  Srivastava et al. 1998

- Integration Mechanisms
  Griffin 1997; Olson et al. 2001

- Marketing and R&D/Innovation
  Verhoef and Leeflang 2009

3. Foci in Structural Marketing

- Structure and salesperson role conflict
  Michaels et al. 1988; Singh et al. 1996

- Internal navigation
  Plouffe, Sridharan, and Barclay 2007

- Internal Marketing
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- Marketing-Sales Interface
  Kotler et al. 2006; Homburg and Jensen 2007
## Research Objectives and Contributions

<table>
<thead>
<tr>
<th>Research Objectives</th>
<th>Research Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Delineate internal selling processes</td>
<td>1. Developing tools for benchmarking and auditing the selling process</td>
</tr>
<tr>
<td>- Content</td>
<td></td>
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<tr>
<td>- Level of specificity</td>
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<tr>
<td>2. Identify antecedents &amp; consequences</td>
<td>2. Identifying ISPs as the underlying mechanism between structure and salesperson behavior</td>
</tr>
<tr>
<td>3. Identify boundary conditions</td>
<td>3. Identifying actions to correct for salesperson poor perceptions of ISPs and help them cope</td>
</tr>
</tbody>
</table>
Method

- Multimethod
- Qualitative studies: Studies 1 through 4, theory-in-use approach (Strauss and Corbin 1998)
  - Exploratory study
  - Study 1, cross-industry
  - Study 2 and Study 3 at Alpha Co., a Fortune 250 Company
  - Study 4, cross-industry
- Quantitative studies: surveys and archival data
  - Study 5: 1,298 salespeople of Alpha Co., survey and company record of performance
  - Study 6: 409 salespeople and sales managers, cross-industry
- Research process detailed on Slide 9
Research Process

Initial Conceptualization of Selling Process Dimensions

**Exploratory Study**
- N = 5
- Develop a working definition
- Identify the domain

**Study 1**
- N = 37, cross-industry
- Data: 190 pages
- Initial identification of key dimensions/definitions
- Preliminary conceptual model of selling process antecedents and consequences

**Study 2 (N = 25)**
- Sample: Senior Manager Level, Direct Supervisors, Reps (Stayers and Defectors)
- Data: 261 + 230 pages
- Refine the dimensions/definitions
- Identify consequences

**Study 3 (N = 39)**
- Sample: Senior Manager Level, Direct Supervisors, Reps (Stayers and Defectors)
- Data: 261 + 230 pages
- Refine the dimensions/definitions
- Identify consequences

Emerging New Themes?
- Yes
- No

**Grounded Conceptual Model**

**Phase 1**

**Phase 2**

**Phase 3**

Study 4 (N = 23)
- Sample: Firms with different sales force structures
- Data = 125 pages
- Identify antecedents
- Cross validation

Studies 5 and 6
Quantitative Studies

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Qualitative: Studies 1, 2, 3, and 4

- All interviews are transcribed verbatim

- Coding
  - 2 independent coders (part of the author group) + 3 RAs (unfamiliar with the research)
  - Steps:
    - In Vivo ➔ First-order categories ➔ Second-order categories
    - Iterative
    - Coding disagreement discussed among authors
  - New themes are incorporated in scripts of subsequent studies to clarify and cross-validate

- Coding software: Atlas.ti (Version 8)
  - Code management feature enables thorough tracking of codes
  - Reports are generated to re-evaluate the coding process
Initial Conceptualization of ISPs

- We conducted an exhaustive literature review:
  - **Macro**
    - Structural marketing
    - Market orientation
    - CRM
  - **Meso**
    - Cross-functional interface
    - Sales force control
    - Team selling
    - Organizational buying
    - Solution selling
  - **Micro**
    - Job characteristics
    - Salesperson behavior

Conceptualization of ISPs:
- Multiple dimensions?
- Levels of specificity?
## Fundamental Differences Between ISPs and Selling Activities

<table>
<thead>
<tr>
<th>Scope</th>
<th>Selling activities</th>
<th>Internal selling processes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Content</strong></td>
<td>‘What to do to sell’ <em>Content</em> of each selling step (e.g., prospecting, cold calling)</td>
<td>‘How a sale is done <a href="#">internally</a> the internal selling steps are evaluated together as <a href="#">Processes</a>. A climate and culture concept</td>
</tr>
<tr>
<td><strong>Dimension</strong></td>
<td>Primarily task-based</td>
<td>Multidimensional</td>
</tr>
<tr>
<td><strong>Locus</strong></td>
<td>Primarily external, customer-facing</td>
<td>Primarily internal to the seller firm</td>
</tr>
<tr>
<td><strong>Level of specificity</strong></td>
<td>Within the sales function</td>
<td>Multilevel</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• The firm</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Cross-functional (sales and non-sales)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Within the sales function</td>
</tr>
</tbody>
</table>
Overview of Findings

- Dimensions/sub-dimensions of ISPs
  - Some constructs mirror organizational buying conflicts
  - Some new constructs
    - Internal terrorism
    - Inside-outside sales force relationship
    - Enforcement arbitrariness
  - Salesperson perceptions are level-specific
    - Overall, Cross-functional, and Intra-Sales force

- Antecedents: Organizational structure and sales force design drive salesperson perceptions of ISPs
  - Perceptual bias forces as moderators (e.g., Salancik and Pfeffer 1978)

- Consequences: Salesperson perceptions of ISPs influence individual salespeople, the company/work group, and customers.
  - Salesperson sales roles (inside/outside) as moderators

- We integrate emerging themes with existing theories to propose a ‘‘structure → process → outcomes’ concept action framework (see slide 14)
Conceptual Framework

**Organizational Structure**
- Centralization
- Formalization
- Departmentalization

**Sales Force Design**
- Product Centricity
- Inside/Outside Sales Force Configurations

**Perceptual Bias Forces**
- Self-efficacy
- Enforcement Arbitrariness
- Cross-Functional Training

**Salesperson Perceptions of Internal Selling Processes**

**Overall Process**
- Task-based: Internal Task Autonomy
- Human-based: Internal Terrorism

**Cross-Functional Process**
- Task-based: Task Alignment
- Human-based: Comm. Barriers

**Intra-Sales Force Process**
- Inter-Product Competition
- Inside-Outside Relationship Quality

**Company/Unit**
- Sales Cycle Length
- Unit Role Stress Climate
- Unit Turnover

**Salesperson**
- Role Stress (ambiguity and conflict)
- Effort/Performance
- Turnover

**Customer**
- Satisfaction
- Business Volume

**Covariates (Supporting Processes)**
- Social Support
- Sales Technology
- Territory Equity
- Incentives
- Quota Setting Process
- Development

**Note:**
- Study 5 tests Processes → Outcomes
- Study 6 tests Structures → Processes → Outcomes
- Only bolded outcomes are tested

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Definitions

- **Task-based ISPs** involve the seller firm’s procedures and duties that salespeople must fulfill within the seller’s firm.

- **Human-based ISPs** refers to communications and interpersonal interaction patterns with people within the seller’s firm.
“And I’ve been waiting since Tuesday of last week to get an ordering document because of bugs that we have in our internal system, and our [product name] management staff refuses to release an ordering document, until the bug is taken care of. It frustrates our customers, it frustrates us as salespeople, it doesn’t reflect very well on [firm name] as a whole.”

“I guess, our internal processes are very frustrating and slow, and take away too much time that I’d rather be selling. …So internal processes I’m sure are a large reason why people leave, because they wanna be able to just have more time selling and not worry about going through the [firm name] chain of command for the right approvals.”
Study 5

☐ Objectives: test consequences of salesperson perception of ISPs and moderating effect of salesperson sales role

☐ Sample
  ☐ Fortune 250 firm
  ☐ After a pre-test, a link to an online survey was distributed
  ☐ Useable responses: 1298 salespeople (including experienced field reps, experienced inside salespeople, and newly-hired inside salespeople)
  ☐ Response rate: 27%

☐ Measures
  ☐ Adapted from published research
  ☐ Some newly-developed measures
  ☐ Full list of measures available from the authors
  ☐ Company records: inside salesperson call activities

☐ Analysis
  ☐ No significant difference between early and late respondents
  ☐ Control for salesperson experience and demographics
  ☐ Model specification: Multilevel SEM (salespeople nested within units), using Mplus8
Study 6

- **Objectives**: test antecedents to salesperson perception of ISPs, boundary conditions, and customer-related outcomes

- **Sample/Procedure**
  - Cross-industry online panel of sales professionals
  - 409 useable responses
  - Two survey versions (reverse order): rule out order effects and hypothesis guessing

- **Measures**
  - Organizational structure: Adapted from prior research
  - Salesperson perception of ISPs: similar to Study 5

- **Analysis**
  - Common method bias: not an issue, the focus is on interaction effects
  - Several control variables (e.g., compensation, territory, social support)
  - Model specification: SEM, using Mplus8

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## Study 5 and Study 6 Results

<table>
<thead>
<tr>
<th>Outcomes of Salesperson perception of ISPs (Studies 5 and 6)</th>
<th>Internal Role Stress (Study 5)</th>
<th>Inside SP Effort (Study 5)</th>
<th>Firm-Cust Role Conflict (Study 6)</th>
<th>Cust. Satisfaction (Study 6)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overall ISPs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal task autonomy →</td>
<td>(–) Supported</td>
<td>(+) Inside SP Effort</td>
<td>(–) n.s.</td>
<td>(+) Supported</td>
</tr>
<tr>
<td>Internal terrorism →</td>
<td>(+) Supported</td>
<td>(–) n.s.</td>
<td>(+) Supported</td>
<td>(–) n.s.</td>
</tr>
<tr>
<td><strong>Cross-functional ISPs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Task alignment →</td>
<td>(–) Supported</td>
<td>(+) Task alignment</td>
<td>(–) n.s.</td>
<td>(+) Supported</td>
</tr>
<tr>
<td>Communication barriers →</td>
<td>(+) Supported</td>
<td>(–) n.s.</td>
<td>(+) n.s.</td>
<td>(–) n.s.</td>
</tr>
<tr>
<td><strong>Intra-sales force ISPs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inter-product sales force competition →</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inside-outside relationship →</td>
<td></td>
<td>(+) Supported</td>
<td></td>
<td>(–) n.s.</td>
</tr>
<tr>
<td><strong>Interaction effects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal task autonomy × Inside role →</td>
<td>(+) Supported</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal terrorism × Inside role →</td>
<td>n.s.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Task alignment × Inside role →</td>
<td>(–) Supported</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication barriers × Inside role →</td>
<td>n.s.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Firm-Cust Role conflict</td>
<td>(–) n.s.</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Note: n.s. = not significant, SP = salesperson, ISPs = internal selling processes.
### Study 5 and Study 6 Results

<table>
<thead>
<tr>
<th>Organizational Structure as antecedents (Study 6)</th>
<th>Internal task autonomy</th>
<th>Internal terrorism</th>
<th>Task alignment</th>
<th>Comm. barriers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centralization →</td>
<td>(–) Supported</td>
<td>(+) Supported</td>
<td>(–) Supported</td>
<td>(+) Supported</td>
</tr>
<tr>
<td>Formalization/ Enforcement of Rules →</td>
<td>(–) n.s.</td>
<td>(+) n.s.</td>
<td>(+) n.s.</td>
<td>(+) n.s.</td>
</tr>
<tr>
<td>Departmentalization →</td>
<td>(–) n.s.</td>
<td>(+) n.s.</td>
<td>(+) Supported</td>
<td>(+) n.s.</td>
</tr>
<tr>
<td>Centralization × Self-efficacy →</td>
<td>(–) n.s.</td>
<td>(+) n.s.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Formalization × Enforcement arbitrariness →</td>
<td></td>
<td></td>
<td>(–) n.s.</td>
<td>(+) Opposite</td>
</tr>
<tr>
<td>Departmentalization × Cross-func. Training →</td>
<td>(+) Supported</td>
<td>(+) Supported</td>
<td>(–) Supported</td>
<td>(–) n.s.</td>
</tr>
<tr>
<td>Intra-sales force design as antecedents (Study 6)</td>
<td>Inter-product sales force competition</td>
<td>Inside-outside relationship</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product-centric sales forces →</td>
<td>(–) Supported</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inside-outside common goals →</td>
<td></td>
<td>(+) Supported</td>
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</tbody>
</table>

Note: n.s. = not significant.
Theoretical Implications

- Provides a better understanding of ISPs
  - Multi-dimensional, multi-level measure of ISPs
  - Insights into antecedents & consequences of salesperson perceptions of ISPs
  - Calls attention to ‘Internal Terrorism,’ a key driver of both firm-customer role conflict and internal role stress

- Sheds light on how the Structure-Process-Outcome framework is contingent on two groups of moderators
  - Antecedent side: Perceptual bias forces matter
    - Self efficacious salespeople perceive centralized firms to have higher levels of internal terrorism
    - Surprisingly, cross-functional training may increase salesperson perception of internal terrorism and reduce salesperson perception of task-alignment in departmentalized firms
      - Salespeople’s knowledge of what other functions “should” do elevates their expectations of other functions’ support
    - Policy enforcement arbitrariness actually reduces salesperson perception of communication barriers in formalized firms.
Theoretical Implications

- Sheds light on how the Structure-Process-Outcome framework is contingent on two groups of moderators
  - Outcome side: Salesperson sales role (inside versus field) matters
    - Human-based aspects of ISPs elevate internal role stress, regardless of salesperson sales roles
    - Task-based aspects of ISPs
      - Relative to Inside salespeople, Field salespeople experience lower internal role stress when they have higher internal task autonomy
      - Task-alignment reduces role conflict, regardless of salesperson sales roles; task-alignment reduces internal role ambiguity more strongly among inside salespeople than among outside counterparts
  - Shows ISPs as mediators
    - Opening the black box of how organizational structure and intra-sales force design influence salesperson attitude/behavior
    - Uncover ‘mere perceptions of ISPs effect’ on effort and customer satisfaction that is not mediated by role stress

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Opening the Black Box

Job Modification Theory

Organizational Structure Characteristics

Internal Selling Processes
- Task- and Human-based dimensions
- Various levels

Employee Role Stress

Employee Attitude & Behavior

This Research

Organizational Structure Characteristics

Internal Selling Processes

Salesperson Role Stress

Salesperson Attitude & Behavior

Not a full mediator

Mere ‘ISPs perception’ effects

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Managerial Implications

- Underscore the importance of monitoring, benchmarking, and auditing ISPs: ISPs can influence salespeople, customers, and work groups
- Inform managers of ways to change salesperson perceptions of ISPs: changing ISPs directly versus changing drivers of salesperson perceptions of ISPs
- Provide managers with a set of measures to evaluate the internal selling climate and culture at various levels within a firm
- Inside-outside configurations are an important aspect of ISPs
- Counter-intuitive: Cross-functional training might not always work in correcting poor perceptions of ISPs
Thank You

Questions?

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