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Gauging the Effect of Buyer vs. Seller Initiation of Customer Value Creation on Buyer Loyalty in Large B2B Sales Relationships

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ENGAGED MANAGEMENT ReView

EDITORIAL NOTE

The study by George Talbert, Earl D. Honeycutt Jr., and Subhashish Samaddar addresses an important practical problem - does it matter how sales people in B2B businesses behave and should they proactively seek deals by initiating and orchestrating sales processes? To this end they conduct a rigorous mixed method study where they identified 251 actual deal processes and collect qualitative data about the processes and drivers. They reduce those to comparable sales processes of 142 deals and analyze the NPS rating of three types of sales processes – promoters, passives and detractors. They find out that both the perceived value creation and customer loyalty is higher (with statistical significance) when sellers actively initiate and promote their sales. This heeds attention to how sales people truly engage and actively learn from and design solutions for their customers as they are highly likely to perform better. The important lesson and practical consequence of the study for managers is to ask: how do I promote such active stance and what drives it for sales people, how do I organize and orchestrate sales processes in ways that they promote sales people's active engagement; how do I hire and evaluate sales people for future performance? The study also offers practical ways how data from past sales processes can be analyzed for improved performance in future by integrating qualitative and quantitative analysis offering more valid evidence of evaluating the performance.

Gauging the Effect of Buyer Vs. Seller Initiation of Customer Value Creation on Buyer Loyalty in Large B2B Sales Relationships

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ABSTRACT

This study addresses two central questions: Is it important to determine whether the salesperson or the buyer initiates value creation in large business-to-business (B2B) selling environments? Furthermore, does the mode of initiation – buyer or seller – later influence customer attitudes toward the sales interaction? Value creation is necessary for large B2B sales situations because customized solutions often are required to meet customer needs. This empirical study compares buyer and seller initiators of value creation in B2B dealings and analyzes which actor most positively affects customer perceptions. In a study of 142 senior-level managers at buyer organizations who participated in large-sale deals, we quantitatively analyzed the relationship to identify who initiates value creation, based on the initial Net Promoter Score (NPS). Buyer managers rated seller-initiated value creation higher than buyer-initiated value creation, and seller-initiated value creation had a net positive effect on buyer attitudes and loyalty. The study concludes by offering sales managers practical strategies for enhancing buyer satisfaction, creating positive customer word-of-mouth, and engendering customer loyalty.

SYNOPSIS

Purpose

This study investigates the effects on large B2B relationships when the salesperson vs. the buyer initiates value creation, as well as the effects of this initiation on buyer loyalty. To minimize salesperson bias, we use buyer feedback. Although buyers and sellers both are positioned to satisfy buyer demands, the results of this study confirm that the buyer perceives greater value when the seller initiates the value creation.

The Problem of Practice

The practices of large B2B selling continue to evolve. Some practitioners have questioned salesperson relevance in the new economy, where buyers can and do research product offerings electronically. Suppliers continue to identify ways to add customer value through sales performance.

Suppliers can differentiate themselves from competitors through the quality and behavior of their sales team. This capacity is especially apparent in large B2B sales encounters, where sales cycles can extend for several years, involve multiple buyer stakeholders, and are complicated to execute. Large B2B deals typically require purchases to be specifically tailored to meet precise buyer needs. Our understanding of B2B sales interactions has primarily been gleaned from the perspective of salespeople and their managers. Researchers less often have looked at how *customers* perceive the performance of salespeople who provide the products and services they use, especially in large B2B sales. This study seeks to lift the veil and uncover buyer perceptions of who initiates value creation and drives customer value in large B2B sales: the buyer or the seller. The study provides practical steps that sales managers and salespeople can incorporate to augment customer value, positive word-of-mouth, and loyalty.

Results

Our results suggest that in large B2B sales, buyer perceptions of salespeople are significantly affected by whether the seller or buyer initiates value creation. Furthermore, seller-initiated value creation has a net positive effect on buyer loyalty, and buyer-initiated value creation has a net negative effect on buyer loyalty.

Conclusions

Sales firms that initiate value creation with buyers in large B2B sales situations achieve a higher level of performance than sellers who wait for customers to tell them what they want. Thus, our findings shed new light on the pivotal role of the salesperson in large B2B sales interactions. These findings challenge the theory that the salesperson plays a less crucial role in the new sales economy. They also have substantial implications for sales managers, salespersons, and the customers they serve.

Practical Relevance

The study results relate to sales practices in large B2B sales contexts. Although salespeople should continue to respect and respond to customer requests, they also should be proactive in initiating value-creating relationships with buyers to drive sales and build long-term customer value, rather than waiting for the customer to request help. Given these findings, the implications for sales practitioners are significant. The most noteworthy implication is that seller-initiated value creation should be used throughout the sales relationship to add, maintain, and grow value with essential customers. These behaviors ultimately enhance buyer loyalty and can be a valuable means of supplier differentiation, thus ensuring a competitive advantage when they are effectively leveraged.

METHODS

Research Questions

RQ1: Does seller-initiated value creation have a significantly greater positive effect on large buyer NPS ratings than buyer-initiated ones?

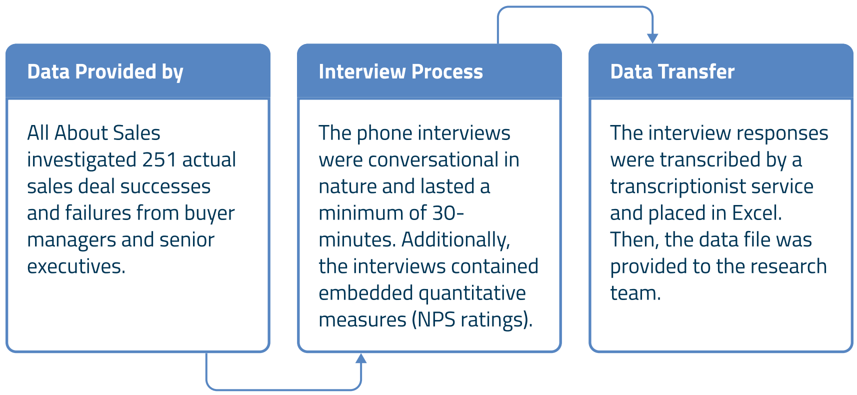
RQ2: Does seller-initiated value creation result in greater positive comments from buyers than buyer-initiated value creation in large B2B companies?

Method and Design

In this two-stage study, we first examined telephone interviews of 142 B2B buyer managers and senior executives to gather data about their Net Promoter Score (NPS) ratings. NPS is a single question metric tool used by researchers to assess buyer loyalty by computing the numerical difference between promoters and detractors. First, managers were placed into three categories based on their 1-10 NPS ratings: detractors (1-6), passives (7-8) and promoters (9-10). Then, we calculated the NPS by subtracting the difference between promoters and detractors. After calculating the NPS, we conducted a chi-square test to confirm whether a statistical difference existed between buyer and seller initiators and their NPS rating.

In the second stage of the study, we followed Reichheld's (2011) recommendation to identify the primary reason for the respondent's NPS rating. So, based on in-depth interviews, we determined how buyer manager and executive responses positively or negatively affected their NPS rating.

Figure 1: Secondary Data Collection & Transfer Process



Data Collection, Sample, and Analysis

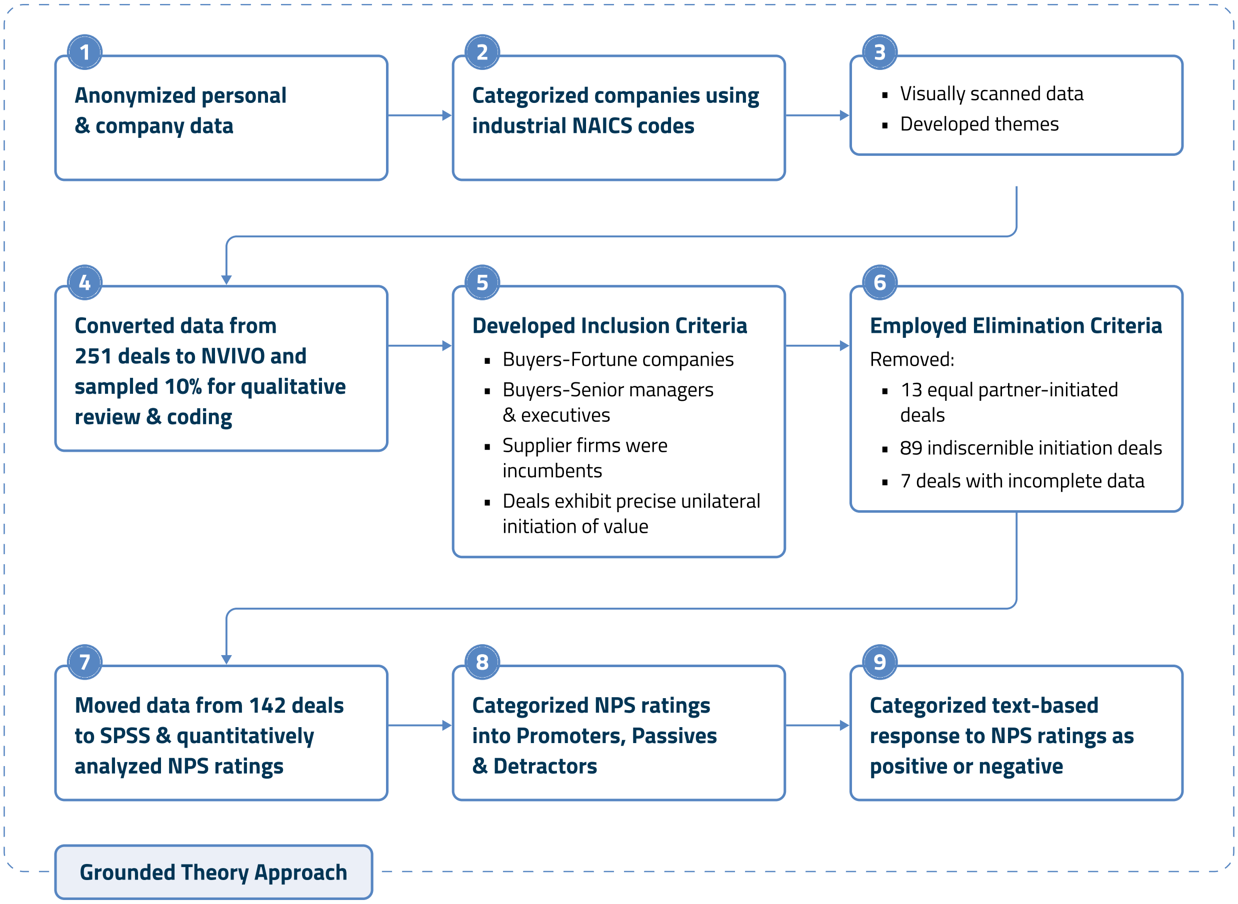
Figure 1 illustrates the secondary data collection process.

Figure 2 illustrates the nine-step process we used for data preparation and analysis.

The study population consisted of 142 large B2B sales deals evaluated between 2004 and 2017 that were investigated by the sales auditing firm, All About Sales (AAS)[1]. The informants were senior managers and executives of large organizations from 12 industries across 35 U.S. states who were the final decision makers for each sales deal. The unit of analysis was their stated assessment of the relationship. The first-year total deal value was $524 million, averaging $3.8 million per deal. The aggregate lifetime sales totaled $2.05 billion, and the average individual deal was $14.4 million. In response to Friend et al. (2014) to reduce informant bias in sales studies, we solicited buyer feedback.

[1] All About Sales (AAS)- AAS is a pseudonym used to maintain the requested anonymity of the organization. It is a sales auditing firm that conducts intense interviews to understand the buyer-seller relationship for large B2B sales.

Figure 2. 9-Step Process for Data Preparation & Analysis



PRACTICAL PROBLEM

Buyer–seller interactions in large B2B sales situations continue to evolve. Questions have arisen about salesperson relevance in the new online economy, where buyers can and do research product offerings electronically. How customers perceive the performance of salespeople who provide the products and services needed in large B2B sales encounters is understudied and less understood. Suppliers fill this gap by continuing to identify ways to add customer value through sales performance. One way that suppliers differentiate themselves from competitors is through the quality and behavior of their sales force. This ability is especially important in large B2B sales encounters where sales cycles extend into years, involve multiple buyer stakeholders, and are complicated to execute.

For most B2B sales encounters, tailoring the offerings is deemed necessary to ensure a cohesive fit with the buyer's current logistics, workflow, and systems. Dixon and Adamson (2011) write about the need for tailoring or customization in *The Challenger Sale*; they identify the best salespeople as "challengers" because these salespeople initiate the delivery of value to the customer.

Tailoring a solution for buyers is a significant B2B sales issue. Therefore, our study seeks to answer two practical yet important questions: (1) Does seller-initiated value result in higher Net Promoter Score (NPS) ratings from buyer managers in large B2B settings; and (2) does seller-initiated value creation result in higher positive comments and attitudes from buying firms?

LITERATURE REVIEW

We were interested in understanding how buyers and sellers collaborate to add customer value and to contextualize NPSs use in research and practice. Hence, we now present a discussion of existing literature on co-creation of value, seller initiation of value, and NPS.

Co-Creation of Value. The concept of co-creation is based on customer evolution from passive to active co-creator of value, and in many cases, the buyer becomes the initiator of value creation with the seller (Prahalad & Ramaswamy, 2000). In effect, the buyer is the new source of competence in the B2B market. Value co-creation is integral to B2B sales situations, especially when tailored solutions are sought (Lemke, Clark, & Wilson, 2011) . The literature on co-creation of value is robust and boasts such sub-theories as service-dominant (S-D) logic and customer-dominant logic. "Despite the increasing prominence of value co-creation in extant research, the area of customer co-creation is in its infancy, and many aspects are not well-understood" (Ranjan & Read, 2019, p. 904). One area that has been ignored is a buyer's role in the co-creation of value in large B2B sales situations (Ranjan & Read, 2019).

Seller-Initiated Value. Wotruba (1991) defined procreation as the final stage in the evolution of personal selling, where "[s]elling is defining buyers' problems or needs and the solutions to those problems or needs through active buyer-seller collaboration, and then creating a market offering uniquely tailored to match those specific needs of each individual customer" (p. 4). In this stage, the supplier creates a specific marketing mix for the customer. Wotruba (1991) argued that procreation is the "ultimate in need satisfaction" because customer requirements become evident through "co-action" with the seller. In addition, customers can become brand ambassadors when the sales firm initiates successful value creation through customer engagement. "Surveys of customers consistently show that they put the highest value on salespeople who make them think, who bring new ideas, who find creative and innovative ways to help the customer's business" (Dixon & Adamson, 2011, p. XVI).

Net Promoter Score and Buyer Loyalty. The NPS is a multipoint metric that classifies customers as detractors (0–6), passives (7–8), or promoters (9–10), of the brand. Customers are asked: "On a zero-to-ten scale, how likely is it that you would recommend us to a friend or colleague?" (F. Reichheld, 2011, p. 4). "The net-promoter figure is calculated by subtracting the percentage of customers who say they are unlikely to make a recommendation from the percentage who say they are extremely likely to do so" (F. F. Reichheld, 2003, p. 7). The final NPS for a firm can range between -100 and +100 and is calculated by subtracting the percentage of detractors (0-6 rating) from the percentage of promoters (9-10 ratings with passives removed from the calculation. Therefore, if 50% of a sample is in the promoter category (i.e., gave the organization a score of 9 or 10) and 20% is in the detractor category (gave a score essentially of 0–6), the NPS is 30. An NPS score above zero is a positive rating.

NPS has been criticized for being weak in B2B settings because the respondents often are lower-level associates who place the orders rather than the decision makers (Fisher & Kordupleski, 2019). In addition, "customer feedback metrics [like NPS] have mainly been the focus of B2C researchers" (p. 175). Meanwhile, other research suggests that NPS calculations are used by a limited number of firms, industries, and settings and lack generalizability (De Haan, Verhoef, & Wiesel, 2015) or condemns the NPS method because multiple other indicators of buyer loyalty are more reliable than a single predictor (Keiningham et al., 2007). According to Fisher and Kordupleski (2019), the NPS is an unreliable measure of customer loyalty because it is triggered by an event, such as a purchase, a phone call, or a service request. To counter some of these critiques, in this study we used feedback from managerial respondents who shared their *overall* experience with the seller. This feedback was solicited outside of a "trigger event."

In addition, we note the widespread use of the NPS in practice and thus suggest that discounting its importance is difficult since two-thirds of Fortune 1000 firms use the NPS to assess buyers' loyalty toward their brands (Colvin, 2020). Researchers contend that the NPS as an indicator of positive word of mouth is an effective tool for measuring buyer loyalty (Blasberg, Vishwanath, & Allen, 2008). In addition, Korneta (2018) asserts that the NPS is "an important characteristic of a loyal customer,… in that such a person praises a company or a product to friends and family, thus promoting it" (p. 2). Other researchers maintain that NPSs "have a significant impact on retention at the customer and firm level" (De Haan et al., 2015, p. 204). Even one detractor Fisher and Kordupleski (2019) asserts that "[t]he NPS categorization is absolutely correct about promoters and detractors" (p. 140). Hence, consistent with practice and the literature, we use NPS ratings as a proxy for buyer loyalty (Colvin, 2020; De Haan et al., 2015; F. F. Reichheld, 2003.

De Haan et al. (2015) also found that segmenting customers into promoters and detractors was the "single-best predictor of [customer] retention across industries" (p. 196), thus adding to its generalizability. Accordingly, this leads to our first hypothesis:

> H1: Seller-initiated value creation will result in significantly higher buyer NPS ratings than buyer-initiated value creation in large B2B firms.

Theories on the co-creation of value were developed in the business-to-consumer (B2C) space (Almquist, Senior, & Bloch, 2016). However, B2B studies began exploring this phenomenon by introducing the Service-Dominant (S-D) Logic taxonomy, which posits that all marketing and selling efforts are service-based (Vargo & Lusch, 2004). The extant literature acknowledges two types of value creation: seller-initiated and buyer-initiated. O'Hern and Rindfleisch (2010) distinguish between co-creation based on whether the customer (consumer) or the supplier firm leads the activity. Although this typology is based on a B2C relationship model, we can plausibly assume that a similar, but more complicated, relationship is associated with large B2B selling situations.

Interorganizational value creation can positively affect sales performance, and the two can reinforce one another (Singh & Mitchell, 2005). In sales and marketing, value creation is used to improve problem solving, capitalize on the specialization of labor, and exchange value for value. Singh and Mitchell (2005) note that the B2B relationship between interfirm value creation and sales performance is complex and requires additional clarification. To date, the effects stemming from who initiates value creation—the buyer or the seller—on the outcome of large B2B value creation have received little attention. Therefore, we propose a second hypothesis:

> H2: Buyers will rate salesperson performance more positively when the seller initiates value in large B2B sales relationships.

This study examines buyer perceptions of suppliers in the large B2B market—a sparsely addressed area of sales research. We examine two types of value-creating B2B relationships, buyer-initiated and seller-initiated. Specifically, we seek to understand whether there are perceived differences in the NPS ratings of seller-initiated performance and the buyer's attitudes toward the buyer-seller relationship based on which party initiated the creation of sales value.

Findings

We computed NPSs for buyer and seller initiator groups by subtracting the detractor percentage from the promoter percentage. From 24.2% buyer-initiated promoters, we subtracted the 30.6% buyer-initiated detractors to arrive at an NPS of -6.4%. Continuing the process, from 51.3% seller-initiated promoters we subtracted 12.5% seller-initiated detractors to reach an NPS of +38.8%. The results, shown in Table 2, reveal a 45.2 percentage point difference between the NPS calculations for seller-initiated collaborators versus the buyer-initiated collaborators.

Table 1. Buyer/Seller Initiation and NPS Categories—Cross-Tabulation

Initiator Type	Detractor		Passive		Promoter		Total
	N	%	N	%	N	%	
Buyer	19	31	28	45	15	24.2	62
Seller	10	13	29	36	41	51.3	80
Total	29	20	57	40	56	39	142

Table 2. Net Promoter Score (Buyer, Seller)

Initiator Type	Promoter %	Detractor %	NPS (Promoter-Detractor)	Difference
Buyer	24.2	30.6	-6.4	45.2
Seller	51.3	12.5	38.8	45.2

A chi-square test for independence (x^2 =12.806, p = .002) indicates a significant correlation between buyer–seller value initiation and its influence on NPS ratings, as shown in Table 1. See Tables A1 and A2.

Following the chi-square test, we conducted an independent samples t-test to compare the NPS proportion ratings of buyer and seller initiators, to determine whether the difference was statistically significant, and if so, to calculate the size of the effect associated with the difference. These results confirm Hypothesis 1. That is, the seller-initiated NPSs are significantly higher than the buyer-initiated NPS scores, and a significant difference in NPS proportions exists between buyer initiators (p = -0.064, SD = .25) and seller initiators (p = 0.388, SD = .49; t (142) = 6.63, p = .001 two-tailed). Moreover, the magnitude of the differences in the proportions was large (Cohen's d = .81).

Analyzing Value Creation Comments. Once buyer managers provided their NPS ratings, the interviewer followed up with the question: "What is the primary reason for your [NPS] rating?" as recommended by Reichheld (2011, p. 4). We then assessed whether the manager's responses were positive, they increased the buyer's rating or negative, they reduced the buyer's rating and qualitatively coded verbatim reasons as having either a positive or negative effect on the seller's NPS rating. We then tallied the score. Regarding their NPS ratings, the results show that managers made 73 negative comments specifically related to value creation and customer service. Most of the negative scores (85%) were attributed to the buyer initiators, while only 15% were related to the seller initiators, as shown in Table 3.

- *Buyer-Initiated Negative Comments*. The results in Table 3 show that negative comments reduced all the buyer-initiated group's NPS ratings. That is, 88.7% of customers whose value creation was buyer-initiated reduced their initial NPS rating, citing that they did not receive proactive solutions. Buyers also reported that 6.5% of buyer-initiated interactions lacked responsiveness, and 4.8% reduced their NPS rating because of customer communication issues.

- *Seller-Initiated Negative Comments*. The seller-initiated in-group analysis, also presented in Table 3, shows that 14% of all buyers reduced their ratings. Most buyers in the seller-initiated group (72.7%) blamed their reduced ratings on insufficient employee quality, while 18.2% cited buyer-seller relationship issues.

- *Value Creation—Positive Comments*. Of the 69 positive respondent comments shown in Table 4, none (0%) emanated from the buyer-initiated group, while all (100%) upgraded NPS ratings were in the seller-initiated group. For the seller-initiated positive comments, there were 69 upgraded NPS scores, which accounted for 49% of the total number of relationships represented (142) and 86% of the seller-initiated total (80). Buyers attributed the majority of positive effects of seller-initiated value creations to their B2B sales team: Team members possessed industry experience (32%), delivered effective support (22%), and delivered measurable results (20%).

The data show that seller-initiated value creation resulted in a higher percentage of positive comments and reinforced the NPS ratings, thus demonstrating a higher level of customer loyalty than buyer-initiated value creators. A chi-square test for independence (x^2 =104.02, p = .001) indicates a statistically significant, strong, positive association (=.86) between negative comments and buyer initiators and positive comments associated with seller initiators. We conducted a proportions test on the negative comments from buyers (p = 1, SD = 0) and sellers (p = .14, SD = 35; t(140) = 19.5814, p=.01). The results confirmed that a statistically significant difference existed, and the magnitude of the difference was large (Cohen's d = .84). These results are shown in Tables A6, A7, and A8.

These findings confirm Hypothesis 2. That is, a statistically significant, strong relationship exists between buyer initiators and the negative comments that buyers make about sellers. In addition, the data show that a positive relationship exists between seller

Table 3. Value Creation—Negative Comments

	Buyer-Initiated Feedback (n=62)		Seller-Initiated Feedback (n=80)	
Comments Received	**(#)**	**(%)**	**(#)**	**(%)**
Insufficient quality of employees	-	-	8	72.7
Relationship issues	-	-	2	18.2
Insufficient staff levels	-	-	1	9.1
Lack of responsiveness	4	6.5	-	-
Lack of proactive recommendations	55	88.7	-	-
Customer communication issues	3	4.8	-	-
Initiator negative comment total	62	100	11	13.8
% Total negative comments		85		15

(See also Table A6 for 2x2 positive/negative matrix)

Table 4. Value Creation—Positive Comments

	Buyer-Initiated Feedback (n=62) *		Seller-Initiated Feedback (n=80)	
Comments Received	(#)	(%)	(#)	(%)
Account team possesses industry experience	-	-	22	31.9
Account team delivers effective support	-	-	15	21.7
Highly valuable relationship	-	-	4	5.8
Account team delivers measurable results	-	-	14	20.3
Account team provides proactive solutions	-	-	7	10.1
Account team possesses in-depth knowledge of client's business	-	-	3	4.3
Account team provides honest/candid communication	-	-	3	4.3
Account team is responsive to requests	-	-	1	1%
Initiator positive comments total	0	0%	69	86.3%
% Total positive comments		0%		100%

*No buyer-initiated value creation provided an upgraded NPS rating
(See also Table A6 for 2x2 positive/negative matrix)

initiators and the positive comments that buyers make about sellers.

The results also reinforce that the issue of who initiates value creation in large B2B selling situations is relevant. Buyers rate a salesperson's performance more positively when the sales team initiates value creation in large B2B sales encounters. Both our hypotheses garnered statistically significant results (at p = .01).

Simply stated, seller-initiated value creation has a net positive effect on buyer loyalty, while buyer-initiated value creation has a net negative effect on buyer loyalty. Large B2B buyers prefer to buy from firms that initiate positive sales solutions, and they assign such firms a higher NPS ratings.

Lessons for Practice

This study confirms the following three features of large B2B sales relationships: (1) whether the buyer or the seller initiates value creation matters to large B2B buyers; (2) NPS ratings are affected by which party initiates value creation; and (3) buyers value a sales firm that proactively offers solutions that helps the buyer compete in the marketplace. These findings challenge the theory that the sales function is diminished in the new sales economy. Instead, salespeople who initiate value creation are boundary expanders whose expertise leads to enhanced buyer assessments, expressed in positive NPS ratings.

Although salespeople should continue to respect and respond to customer requests, they should also proactively initiate value-creating relationships with buyers to drive sales and build long-term customer loyalty. Sales team members should not wait for customers to request help. Therefore, seller-initiated value creation should be used throughout the sales relationship to add, maintain, and grow value with essential customers.

This study has significant implications for the organization, senior sales leadership, sales managers, "boots-on-the-street" salespeople, and ultimately the customers they serve. A salesperson's knowledge and understanding of the industry, of the supplier's capabilities, and of the buyer's needs are all vital in overall customer retention. This understanding can be a source of supplier differentiation that offers a strong competitive advantage in the marketplace. Managers must ensure their sales team members possess not just this knowledge and understanding but the skills to use them.

Traditional organizational reward systems focus on salespeople's ability to drive short-term sales results through transactional, volume-oriented, and tactical behaviors. Selling based on the initiation of value, as examined in this study, is not transactional but strategic, and it takes the view of customers' lifetime value. Relationships initiated, nurtured, and grown over time fundamentally differ from transactional selling. Therefore, we suggest that the skillsets required for large B2B salespeople to initiate value-based relationships differ significantly from those required for traditional transactional sellers. Thus, managers must pay particular attention to how they recruit, train, and develop salespeople who can initiate and create customer value.

For example, during the recruitment process, manager interviewers should ask behavioral questions that invite the candidate to explain how they have secured business by making proactive recommendations to customers that led to product extensions. In addition, sales candidates should explain how they proactively provided customers with recommendations to improve the customers' sales or market share, to reduce waste, or to provide a competitive advantage. The Situation, Task, Action steps, and Results (STAR) framework is helpful in such communication. Managers should focus on the proactive actions that candidates have taken to drive customer value, paying particular attention to behaviors the salesperson demonstrated in existing customer relationships. For current employees, managers should review their salespeople's itineraries to broadly understand the overall goals and objectives of their sales calls and also attend to specific action items derived from innovative recommendations to existing customers.

Most sales organizations incentivize the behaviors they want the salesforce to execute, and managers should reward salespeople who initiate customer value. We see several ways that managers can incentivize their sales team's proactive customer value creative activities. First, managers should share insights gained from this article, highlighting how buyers perceived the pivotal role that seller initiation of value played on brand satisfaction ratings. Second, they can incorporate the initiation of value into the salesperson's variable compensation by adding it into their management by objectives (MBOs), thereby compensating salespeople who add initiation of value into their selling armamentarium. Third, managers can recognize sellers who initiate value creation in team meetings, sales conferences, and awards galas to signal and reinforce the importance of this vital salesperson attribute.

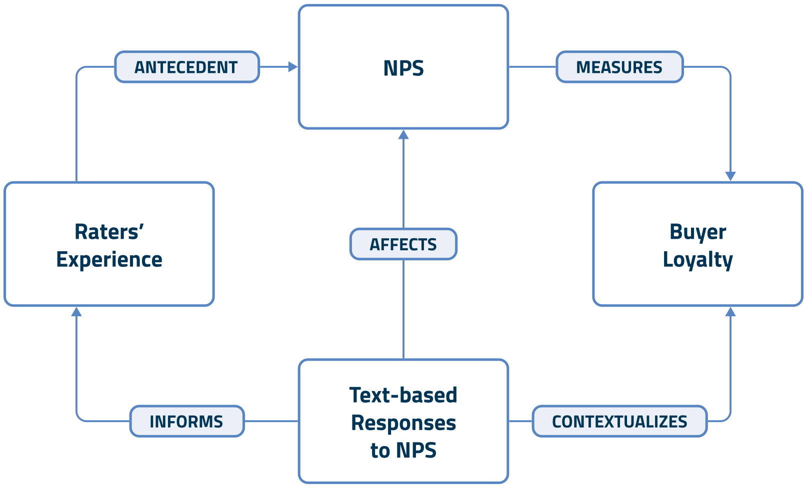
Managers also can encourage and support team-related customer innovation activities. One example is the team's participation in sales "war rooms." The sales war room is a strategy session in which a diverse group of professionals comes together to solve complex customer problems. A similar but less effective customer innovation that activity managers can institute is team meetings (in-person, virtual, or by phone) in which they focus on helping sales teams to solve unique problems or on highlighting the ways that team members have provided novel customer-focused ideas. Managers should also leverage the best practices that their team's members have implemented. For example, a manager can pair one team member who is highly inventive with members of the team who can benefit from the creative practices. In addition, managers should ask their sales team to share innovative methods, including context, deployment, and overall success, with their teammates. This practice is best incorporated when each salesperson has differing best practices so that they can learn from one another.

Another major management takeaway from this article is the importance of maximizing the effectiveness of NPSs. For example, in addition to asking customers whether they are willing to refer a supplier to their peers (i.e., the NPS question), managers should ask a follow-up question that determines why a buyer selected their given rating (F. Reichheld, 2011). This feedback provides managers with early insight into developing trends among customers and helps them to further understand critical customer perceptions. Incorporating this additional question offers several key benefits. First, it can denote an early warning sign of customer displeasure. Second, it can give the supplier ideas and recommendations for product enhancements and extensions. Third, it may alert the supplier of new adaptations for a product or service that were not previously conceived. Adopting this practice also provides sales and marketing managers with an additional layer of segmentation, leading to a competitive advantage in the marketplace.

Contributions to Theory

This study contributes to theory in four ways. First, we minimized several methodological challenges associated with using NPS in research. For example, in response to the concern from Fisher and Kordupleski (2019) about having associates rather than decision makers as raters, we used managers and senior executives as NPS raters. In addition, we coupled NPS ratings with supplementary feedback from buyers to understand what affected their ratings. We also used text mining to assess buyer sentiments (Ordenes et al., 2014), thus addressing the concern expressed by Grisaffe (2007) about methodological issues associated with a one-question survey that measures customer loyalty. Our study found that the party that initiated value creation in the buyer–seller relationship affected the overall NPS ratings from buyers in large B2B sales deals. Their ratings exemplified their experience, which served as an antecedent to the quantitative measurement (NPS) of buyer loyalty. Furthermore, the text-based responses to the NPS follow-up question inform the seller about the rater's experience. This may, in turn, influence the NPS rating and contextualize buyer loyalty.

Figure 3. Benefits of Adding Text-based Responses to NPS



(Figure 3 illustrates the benefits of combining text-based responses with the NPS inquiry.) To address a final methodological concern, we used an expansive list of different buyer firms from a variety of industries, thus answering the concerns of Keiningham et al. (2007) about generalizability.

Second, this study contributes to the scant value creation literature in large B2B settings. Although value creation is vital in large B2B sales situations, few studies have explored this phenomenon in a large B2B context. Third, our study contributes by using Fortune 1000 companies to evaluate value creation. In doing so, we add to the sales and marketing literature on the importance of salespeople's initiating value creation in large B2B sales situations. Fourth, we responded to the call by Friend et al. (2014) for sales studies that use customers to evaluate salesperson performance, rather than salespeople or sales managers.

In this study, we use an organization (system-level) measurement to assess salesperson impact. This approach is acceptable in sales research because positive responses from senior buyer executives correlate to positive buying behaviors of their firms (Verbeke, Dietz, & Verwaal, 2011). That said, future studies can offer additional insight by exploring the influence of the entire account team on final decision maker attitudes.

Limitations and future research. This research confirms that seller initiators have an important effect on NPS ratings. Given this critical finding, we note a major limitation is that proving the presence of an effect, as we have done, is only the beginning; we now need to understand the effects that sales initiators have on buyer sentiment more fully. Researchers should explore other essential factors that play a role in value initiation and consider the effects of value initiation on other factors (variables) that, either alone or in combination, work to affect sales and marketing outcomes. Such variables, like those proposed by Verbeke et al. (2011), include length of and dynamics in the relationship, stage in the selling process, dollar value, and the broader buyer organization (including the individual buyers, their departments, divisions, and the entire firm). An additional variable is the business setting, whether B2B (small, medium, large) or B2C (specifically, B2C luxury and expensive brands). Future research also should consider the important role that effective communication plays in value initiation (e.g., listening, adaptive selling), as proposed by Itani, Goad, and Jaramillo (2019), both on the final decision makers and on their buying team.

Keywords: Value Creation, Seller Initiator, Large B2B Sales, Buyer Perceptions, Net Promoter Score (NPS)

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APPENDIX A: METHODS

A chi-square test for independence confirms a significant correlation between buyer or seller value initiation and its influence on the NPS rating category $x2$ (1, n = 142) = 12.806, p = .002, Φ = .3), as shown in Tables A1, A2, and A3.

Table A1. NPS Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson chi-square	12.806	2	.002
Likelihood ratio	13.117	2	.001
Valid cases (#)	142		

Table A2. NPS Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	.300	.002
	Cramer's V	.300	.002
Valid cases (#)		142	

NPS Test of Proportions

Based on our preliminary results, we wanted to understand whether the results were statistically significant. Therefore, we conducted a test of proportions. We conducted an independent t-test to compare the NPS proportions ratings for buyers and sellers. The results show that a significant difference in NPS proportions exists between buyers (p = -.064, SD = .2458) and sellers (p = .3875, SD = .4903; t (140) = -6.6311, p = .001, two-tailed). The magnitude of the differences in the proportion (proportion difference = -0.4515, at a 95% confidence interval [-.5862, -.3169] was large (Cohen's d = .83). See Tables 2, A3, A4, and A5.

Table A3. NPS Summary Data

	N	Proportion	Std. Deviation	Std. Error
Buyer	62	0.064	.2458	0.0312
Seller	80	0.38	.4903	0.0548

Table A4. NPS Independent Samples Test

	t	df	Significance (2-tailed)
Equal variances assumed	-6.6311	140	<.001

Table A5. 95.0% Confidence Intervals for Difference

	Lower Limit	Upper Limit
Variance	-.5862	-.03169

Negative Comments

We also conducted an independent *t*-test to compare the proportion of the two value creators (buyer, seller) related to negative comments. The results show that a significant difference in proportions exists between buyer initiator comments (p= 1.0, SD = 0) and seller initiator comments (p =.138, SD = .35); t (140) = 19.5814. *p* = .001, two tailed). The magnitude of the differences in the proportion (proportion difference = .86, at a 95% confidence interval [.78, .95] is large (Cohen's d = .81). See Tables A6, A7, A8, and A9.

Table A6. Buyer/Seller Initiation and Positive/Negative NPS Cross-Tabulation

		Buyer		Seller		Total	
		N	%	N	%	N	%
Impact on NPS rating	Negative	62	100.0	11	13.8	73	51.4
	Positive	0	0.0	69	86.3	69	48.6
Total		62	100.0	80	100.0	142	100.0

Table A7. Negative Buyer Feedback Summary Data

	N	Proportion	Std. Deviation	Std. Error
Buyer	62	1.0	0	0
Seller	80	.1375	.35	0.04

Table A8. Negative Buyer Samples Test

	Proportion Difference	Std. Error Difference	*t*	df	Significance (2-tailed)
Equal variances assumed	-.86	.044	19.5814	140	<.001

Table A9. 95% Confidence Interval

	Lower Limit	Upper Limit
Variance	0.78	0.95

Positive Comments

Since there were zero percent buyer initiated positive comments, a calculation of proportions was not feasible.

APPENDIX B. SECONDARY DATA METHODS

For this multi-method study, we used a secondary data set supplied by All About Sales (AAS). We drew on a qualitative data set (interviews) and quantitative measures (Net Promoter Score), embedded in the interviews and integrated them into our analysis.

Interview Objectives

The objective of the interviews was to obtain insight from Fortune 1000 customers' perceptions about the effectiveness of their supplier's salespeople. The interviews sought to understand how well the supplier met the needs and expectations of the buyer firm. Based on categorical customer responses, intense interview probing techniques were implemented to elicit additional thoughts and feedback regarding the attributes, characteristics, and contextual factors of their interactions with the sales team and the supplier. Three investigators who had MBA degrees and had received specialized training in conducting qualitative research interviewed the informants about the 142 individual relationships.

Independent Variable and Dependent Variable Development

Value creation includes strategies to increase profits, productivity, or efficiency; to reduce waste; and to create a competitive advantage. Net Promoter Score (NPS) is best used with text mining (Ordenes et al., 2014). We used a two-step NPS rating to measure our dependent variable. First, we looked at the NPS category rating in response to the question: "On a one-to-ten scale, how likely is it that you would recommend us to a friend or colleague?" We used the NPS categorical response as the dependent variable I. Next, using a chi-square analysis, we compared the independent variable, which is the value creation initiator (buyer or seller), to the dependent variable I (i.e., the NPS rating). Recall that promoters were rated 9–10; passives were rated 7–8; and detractors were rated 1–6. Then, we calculated the NPS by subtracting the percentage of detractors from the percentage of promoters. Next, we compared the proportions of the detractor and promoter categories to assess whether a statistical difference existed. From our results, we concluded that there was a statistically significant difference between both the detractors and the promoters.

We were also interested in the generalizability of the correlation associated with a positive buyer loyalty assessment and whether it could be related to the initiator of the value. Because we were interested in assessing the effect of value initiation on buyer loyalty, we used the value creation initiator (buyer or seller) as our independent variable. Then, we followed Reichheld's (2011) recommendation to assess the primary reasons(s) for the respondents' NPS rating. Based on the informant's response to the question, we analyzed their answers to determine whether the response would have a positive or negative effect on the initial NPS score. If their response was favorable, we coded it as having a positive effect on the NPS rating. Conversely, if their response was unfavorable, we coded the response as having a negative effect on the NPS rating. In the second stage of the study, we used a positive effect on the NPS rating (yes, no) as our dependent variable II. Again, using chi-square analysis, we compared the independent variable I, which is the value creation initiator (buyer or seller), to the dependent variable II. Then, we compared the proportions of the yes and no groups to assess whether a statistically significant difference existed. From these results, we concluded that there was a statistically significant difference in proportions between the dependent variables II.

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