Faculty of Business Economics
Master of Management

Master’s thesis

The Role of Sale-Service Ambidexterity in Product Development. A study in SMEs
Benjamin Attakorah
Thesis presented in fulfillment of the requirements for the degree of Master of Management, specialization International Marketing Strategy

SUPERVISOR:
Prof. dr. Allard VAN RIEL
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PREFACE

In our world today, salespersons encounter a great deal of pressure in their quest for providing value for their firms and for the customers of the firms. They have no excuse if they fail to fulfil their roles to their firms and to the customers. In addition to the above, in order to create value for their firms they must provide superior products or services to the customers. At the moment, the criticisms and recommendations of the customers about the products and services have become important that no firm can ignore them and still boost of competitive advantage and continuity. As an international marketing strategy student, I found this matter very interesting because it will help me to comprehend this development in the life of the salesperson. The study is conducted to investigate how salespersons manage their sale-service roles and how their sale-service roles impact product development. The thesis is conducted in partial fulfillment of the requirement for the degree of Master of Management-international marketing strategy at university of Hasselt.

Firms in order to produce what customers need must listen to the ideas and suggestions from customers about the products and service. This in effect will help the salesperson to fulfil his/her duties with ease. Interviews were conducted and data was collected from four Small Scale and medium enterprises. The results suggest some strategies that help salespersons to manage their stressful roles and how that impact product development.

I want to first thank God for giving me the strength and knowledge to pursue this program and to do this research.
I would like to express my sincerest gratitude to everyone involved that have contributed with valuable insight and thoughts especially my supervisor, Professor Dr. Allard Van Riel for his friendship, constant support and constructive feedback.
I would like to give special thanks to Peter Roose, Inge Frederix, Meers Frederik, and Verlinden Monique who let me into their organization and allowed me some time out of their busy schedule to interview them. Without the support from these people I would not have been able to conduct my study in such a progressive manner.
Finally, I would also like to thank sponsor Dr. Frank Odame, my wife and all my Ghanaian friends in UHasselt for their backing.
SUMMARY

Name: Benjamin Attakorah

Specialization: International Marketing Strategy

Topic: The Role of Sale-Service Ambidexterity in Product Development. A Study in SMEs.

Supervisor: Professor Dr. Allard Van Riel

Background: The salespeople, in satisfying their responsibilities, function as intermediaries between the firm and its customers. Thus, they have to simultaneously satisfy the objectives of the firm (by generating value through sales) and the customer (to maximize value from their product and services) which put them under severe tension. Salespeople must expeditious some contrivances to deal with the stress associated with their roles so that they can help create value for the firm and the customer at the same time.

Furthermore, salespersons in their pursuit of their sales and service roles receive information on criticisms and recommendations from customers about the product and they communicate these information to the research and development (R&D) department. Now customer feedback has advanced to be a precious source of product development, some of these criticisms and recommendations by customers go a long way to help modify the product.

Aim: The purpose of this thesis is to study sale-service ambidexterity to investigate how salespersons cope with their conflicting dual roles and how their sales and service roles affects product development.

Methodology: This study is based on a qualitative research which is conducted on four case companies of which two are service firms and the remaining two are manufacturing firms. Respondents from the case companies were interviewed to gather data for analysis.

Conclusions: Results obtained from the interviews with micro and medium-sized service and manufacturing SMEs show that sale-service ambidexterity contributes to role conflict for the salesperson and that salespeople are able to cope with their roles. That is the research conveys the
notion that adaptive selling behaviors of salespersons, trust in the salespersons, empowerment of salespersons and team support from colleagues motivates salespersons to fulfil sales-service ambidexterity.

Again, the results demonstrate that effective exploration and exploitation activities, generating ideas from customers and customer need assessment contribute to product development in SME’s. That is sales-service ambidexterity encourages salespersons to explore new opportunities and exploit their existing competencies to generate important ideas from their customers, prioritize them and use them in their product development process.
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CHAPTER ONE

1.1 Introduction

Sales managers often face ambiguity in their roles. They face a dual role of meeting specific sales targets (value for the firm) and the needs of customers (value for the customers). According to Singh (1998), this role conflict ensues when salespersons ruminate that the expectations and demands of two or more groups of his or her role set are not alike. For instance, whereas managers expect the salesperson to increase sales margins, customers on the other hand demand better service from salespersons (Jaramillo et al., 2011).

Yu et al. (2013, pg. 27) used the term “sales-service ambidexterity to refer to the twin goals of offering quality service while at the same time attaining productivity gains by meeting increased sales objectives”. According to Agnihotri et al. (2017) manufacturing buyers, in particular, requires supplementary responsibilities than just sales from their sales representatives. Consequently, for firms to remain competitive, salespeople must provide unique service in addition to attaining their sales quotas (Ahearne et al., 2007).

Moreover, the sales team, in fulfilling their responsibilities, functions as an arbitrator amid the firm and its customers. Thus, they have to simultaneously satisfy the objectives of the firm and the customer which put them under severe tension. They help to generate worth for the firm and also help the consumers to produce worth for themselves. About the relation between a firm and its clients, the sales representatives play a vibrant role in the success of this relationship. And to gain profit, a firm needs to get a functioning sales force as the connection between the customers and the firm. Although increases in sales will always be vital to competitive advantage, it is now important for salespeople to focus their attention on service quality and competence to cater for the enlarged client demands (Bowen and Schneider 2014).

The salespersons receive information, criticisms and recommendations from customers about the product and may communicate these to the research and development (R&D) department. Some of these criticisms and recommendations made by customers about the product go a long way to help to make changes on the product. Thus, serving as an important part of the product development process. Product innovation is partly caused by the efforts of the customers and the sales team, not forgetting
the R&D department. The R&D section aims at increasing and diversifying their product portfolio to be able to provide a variety of services and product packages as well as reach a broader section of customers. In addition, they continuously seek to advance the current products and services. Hence, product development is also externally driven by customer feedback and requests.

In other veins, frontline employees are under the aggregate burden to chase the dual goals of championing superior service whereas accomplishing efficiency gains by meeting improved sales targets—that is, becoming service-sales ambidextrous. Managers expect salespersons to bring value to the firm by exchanging their offerings for money from customers. The firm seek out to achieve profit and satisfy all customer wishes as well. These salespeople suffer the burden of a dyad of expectations. Precisely, the ambidextrous salesperson must achieve revenue generation and service quality simultaneously.

Product innovation describes the development of new products, changes in design of traditional products, or the use of new materials or components in manufacturing established products. McDermott & O'Connor (2002) explain that incremental innovations are characterized by minor improvements or simple adjustments in current products or processes, while radical innovations involve fundamental and revolutionary changes that represent a substantial departure from the existing practice. According to De Jong et al., (2004), forefront managers such as engineers, business development managers, sales managers, and marketing directors have expressed concerns about the lingering problems and the remaining challenges of effectively connecting and integrating the sales department and the sales forces and new product development process.

Again, all other things held constant, larger firms would be expected to have more product innovation than SMEs. Relative to their resources, a smaller firm may be more innovative, but in absolute terms, a larger firm is more probable to have an innovation coming on stream in a given period, simply because of its broader array of events and markets. Griffin et al. (2013) are of the view that the persistently high failure rates of new products in many enterprises can be at least partially attributed to the challenging relation between sales and new product development. Salespersons are most appropriate to gather customer and market data, because they have vital and exclusive knowledge about customer
needs (Homburg et al. 2009). This indicates that salespeople can perform an imperative role in the product innovation process.

1.2 Problem Statement

Work done by Homburg et al. (2009) indicate that salespeople motivate and aid the rearrangement and distribution of knowledge within their network so that they help customers (re)structure and better understand their needs, as well as help the company to devise possible solutions that (improve) fit with those customer needs.

Salespersons facilitate a strong, long-term personal relationships with customers that are beneficial to both the customer and the firm and has been found to have a positive impact on referrals and recommendations. Interestingly, are these referrals and recommendations necessary for the R&D or do they have any impact on the firm’s product development?

In this modern era, many firms are faced with rapid changes in products offered to the market due to the unstable environment characterized by speedy technology innovation and rapid changes in customer needs. A firm’s capability of innovating its offerings can be considered important for its survival and future prosperity. As such firms rely on their product development abilities to accomplish competitive advantage. In other words, to achieve competitive advantage, companies are obliged to at least occasionally develop new products (De Jong and Vermeulen, 2004). It can also be said that the capabilities of a firms to be able to introduce new and or modified products to the market will ensure the continuity and the strength of the firm. Soete and Freeman (1997), exaggerated that “not to innovate is to die”. This indicates that product innovation or development is technically inevitable.

Again, both sales and service responsibilities are generally perceived by salespeople as a widening of one’s job scope (Evans et al. 1999). Ambidexterity exposes resources to contradictory hassles, and for salespersons to attain sale-service objectives, they need to constantly strive for a balance in resources allocation (Aksin and Harker 1999). Firms require product innovations to survive competitive pressures, changing tastes and preferences of customers, short product life cycles, technological advancement, varying demand patterns and specialized requirements of customers. Thus, salespersons, in fulfilling
sale-service ambidexterity, should ensure that the R&D department develops products that suit the aspirations and demands of the customers. Product innovation is particularly interesting, since many firms today organize their processes by combining individuals from different functions and knowledge areas. It is through hard work of thoughts and actions made by a firm’s R&D department, the salespeople and to some extent the customers. In order to meet customers’ specifications, the R&D department to some extent must incorporate the referrals and recommendations made by customers into the product development. The sales force expects the R&D department make changes on the product to suit the recommendations and desires of the customer. This will help them deliver a smooth quality service to the customers. This arouses my curiosity to investigate if customer requirements matter in product innovation.

In addition, while it is true that a number of empirical studies relating R&D to firm size show that large firms undertake considerably more R&D, more recent evidence suggests that SMEs perform important roles in R&D activity. Investments in innovative events seem to be on the rise in SMEs and therefore how much of these investment activities goes into the development of the salespeople and also into product development. Finally, given the prevalence of our innovative economy, one would expect that there should be a lot of literature on this topic in marketing and sales. While much has been researched since March introduced the concept of ambidexterity in 1991, my search revealed very little about ambidexterity in relation to SMEs (March, 1991) and also with regards to product innovation. This gap in the existing knowledge about the effects of sale-service ambidexterity on product innovation was my motivation to conduct this case study. This raises my interest to investigate the determinants of product innovation in SME’s.

1.3 **Purpose and Research Questions**

The purpose of this study is to examine the role of sale-service ambidexterity on product innovation in small- and medium-sized enterprises (SMEs) which leads to the questions stated below. Also, it is similarly necessary to know from SMEs the factors that bring about product innovation. My aim is to have an in-depth understanding of the concept of sales-service ambidexterity. Again, ambidexterity has become popular and so many articles have been written and published in literature and I am motivated to add to literature with regards to sale-service ambidexterity. This research will help to investigate
how salespersons cope with their conflicting roles. Therefore, the research seeks to explore and find answers to the following research questions;

- How do salespersons cope with their conflicting dual roles?
- How do the opposing sales and service roles of salespersons affect product development or innovation?

1.4 Brief discussion of the methodology

Qualitative research method in the form of a case study would be most appropriate for this study. Owing to the purpose and research question that focuses on a “how” aspect of a problem, I ruled out the quantitative approach and concluded that a qualitative research method would best suit my purpose of getting a more detailed understanding of the study object.

According to Yin (2003), case studies are specifically well suited to answer “how or “why” questions. Again, applying the case study method would give me the option to retain the complete and vital characteristics of real-life events like organizational and managerial processes (Yin, 2003). I would like to conduct a case study among two chosen companies to investigate the set of interactions between the firm and its customers and compare the results of both companies. Easton (2010) states that embracing case studies as research method affords the leeway to practically study a specific problem or composite situation in great detail, in a specific industry.

The main constraint of case study research Easton (2010) argues is the small level of statistical representativeness due to the sample size containing one case instead of several cases.

1.5 Data collection

There are diverse ways of collecting data. A well-known technique of grouping data is to divide between “primary” and “secondary” data. Bryman and Bell (2007) assert that the core approaches for collecting data are qualitative interviewing, participant observation, gathering and examination of texts and documents and the group under consideration. For the purpose of this research, due to limitations like
time constraints and controlled access to inside operations of the company, the method of collecting data will focus on the use of interviews and available or existing documentation as the two main sources.

Four (4) companies (two from the service firms and two from manufacturing firms) were chosen for the interview. Participants for the interviews in the various selected companies included the Chief Executive Officers (CEO)/Managers, those in charge of research and development, the Head of Production and the Sales managers. In the midst of the diverse styles and types of interviews like structured, unstructured, standardized, group and focused interviews (Bryman & Bell, 2007), I conducted semi-structured interview (Rubin & Rubin, 1995). This is because it will help to improve the overall applicability and comparability of the findings. Again, the semi-structured interviews will help to retain the flexibility and the capability to receive rich and detailed answers. The interview session were recorded to ensure accurateness and exactness of data.

1.6 Limitation

This study is grounded on a qualitative research which is conducted through the case study approach. The benefits of conducting a case study research are that it provides an enhanced understanding and in-depth into the chosen study object. Because the focus is on four objects, in this research the selected companies would be examined deeper so as to collect and explore information that otherwise is not that easily extracted by an outsider. It is an unopposed evidence that the results from a case study may not certainly be applicable to all other organizations that might be essentially different in for instance, size, structure, cultural background and industry in which they function. However, Leonard-Barton (1990) responded to the biases of a sole case study by applying a multiple-case approach. The multiple-case approach enhances external validity and safeguard against observer biases. Considering these limitations of the single case study approach, it is necessary to include more than one case in the study. This study makes use of four cases which clearly does not support generalizability any more than does one case, but allows for comparison and contrast between the cases as well as a richer and thoughtful look at each case.
The study is therefore limited to this specific setting which is regarded out of the specific perspective dictated by the purpose and research question of this study. While this does not change the nature of validity for this study, it is still necessary to keep in mind that results cannot randomly be applied to other organizations and settings.

1.7 Outline of the study

The study will be structured in five chapters, as follows. Chapter one provides general introduction and background to the study. It also provides the problem statement and research purpose in terms of research questions. Again, it sets out the brief methodology of the study as well as the limitations of the study.

Chapter two reviews the relevant literature of the study including the theoretical and empirical issues. It focuses on the existing knowledge on sales-service ambidexterity and its role in product innovation in the realm of SMEs. A brief literature review enables to familiarize the theoretical accomplishment in the ambidexterity and product innovation theory.

In the third chapter, the technique of data collection in the form of conducted interviews would be presented with regard to the purpose of the study and the research question. The chapter will concentrate on research methodology and the strategies adopted to attain the results.

In chapter four the analysis is presented in the form where the empirical findings would be connected and analyzed with the theoretical framework.

The final chapter presents discussions and conclusion to answer the purpose of the study and provides recommendations.
CHAPTER TWO

2 Literature Review

2.1 Introduction

This chapter will present concepts and explanations that are essential to have for an enhanced comprehension of the thesis theme and the answers to the questions, as well as the theoretical background mainly chosen for the sake of offering and examining the observed findings composed from this project. The chapter offers the academic background and a literature review of previous studies. It contains the following theoretic keystones; sale-service, job performance, job satisfaction, role stress, adaptive selling behavior, trust, empowerment, team support and product innovation that later on will be used in the empirical findings and the analysis. It aims at producing a comprehensive sight of the topic for the reader.

2.2 Theoretical background

Within the precincts of marketing and management, ambidexterity is an imperative term. Raisch & Birkinshaw, (2008) indicate that Duncan in 1976 was first to broadcast the term ambidexterity. It comes from the word ambidexter. Conferring from the Merriam-Webster dictionary (2018), the meaning of ambidexter is “one that takes bribes or fees from both sides and or one that practices duplicity”. Another definition states that ambidexter is “one that uses both hands with equal facility”. This affirms the view that the term posits a dyad underpinnings. In organizational situation, Tushman and O’Reilly (2016) refer to ambidexterity in structural terms, signifying that ambidextrous institutions cover separate structures, some concentrate on exploration and some on exploitation. March (1991) clarifies that exploration involves firm activities categorized by search, innovation, investigation, risk-taking and innovation, while exploitation entails firm activities categorized by refinement, implementation, competence, creation and miscellany.

According to Raisch et al. (2009), recent research describes ambidexterity as organizations that are proficient of concurrently exploiting existing capabilities and exploring new prospects. Ambidextrous
firms are proficient in exploiting existing competences in addition to exploring new prospects with same agility (Lubatkin et al., 2006).

2.3 Sales-service ambidexterity

Yu et al., (2013, p. 2) refer to Sale-service ambidexterity as the “twin goal of providing superior service while accomplishing productivity gains by realization increased sales targets”. DeCarlo and Lam (2015, p. 9) termed Sale-service ambidexterity as salesperson hunting and farming orientation which they defined as “situated regulatory focus in which a salesperson is inclined to quest for new customers and to leverage relationships with prevailing customers to achieve sales goals”.

According to Patterson et al. (2014, p. 1946) the term Sale-service ambidexterity, is defined as the “Strategic struggle to chase service and sales goals simultaneously”. Sok, et al. (2015) explained service-sales ambidexterity as the duty of salespersons’ simultaneous pursuit of cross-/up-selling prospects while at the same time pleasing customer service appeals. They threw more light on the fact that sale-service ambidexterity can be used interchangeably with service-sales ambidexterity. They opine that instantaneously attracting these apparently incompatible roles can pose ego-governing and inspirational trials for salespersons.

From Yu et al., (2013) ambidexterity explains employee’s ability to realize apparently conflicting tasks and goals concurrently. Sales and service are incompatible tasks (Gibson and Birkinshaw 2004) and ambidexterity manifests itself in employees’ capabilities to manage sales and service responsibilities to realize twofold performance results. Sale-service ambidexterity have a positive response on interactive and performance effects (Yu et al., 2013)

2.4 Job performance

From Evans et al. (1999 p. 39): “sales management writings has not extensively addressed the implications of dual service and sales responsibilities on salesperson job satisfaction, performance, or aptitude to appreciate the customer’s view of an interaction”. Role stress and its relationship to
salespersons satisfaction has attracted lots of attention by researchers (Behrman and Perreault 1984). With regards to role stress and sales performance, Behrman and Perreault (1984) suggests that there are several views on their relationship. However, Behrman and Perreault (1984) suggests that role conflict in general has a damaging effects on job performance according to sales research literature. Behrman, and Perreault (1982) make a persuasive argument that role conflict though is unpleasant however, is an elementary and inevitable feature of salespersons job and as a result for salespersons to achieve effective performance, they must antagonize and manage the struggle they face.

On the other hand, per the suggestion of Miles and Perreault (1976), role ambiguity is deleteriously linked to performance. In short, salesperson finds it difficult to do the job well especially when they are inexact about how time and effort should be assigned, or what will be compensated (Behrman and Perreault 1984). They theorized that more time and experience on the job should result in superior performance.

2.4.1 Job satisfaction

Behrman and Perreault (1984) assert that studies in sales force literature regularly specify an undesirable consequence of role ambiguity on job satisfaction, on the other hand, the negative outcome of role conflict on job satisfaction has remained rarely supported. The possible association amid job satisfaction and performance has remained the matter of considerable debate, thought, and empirical assessment. On the other hand research studies conducted on the connection concerning performance and satisfaction link in industrial sales have been scant (Behrman and Perreault 1984).

Bagozzi (1978, 1980) examined past studies, and maintains that job performance has a considerable positive consequence on job satisfaction. Behrman and Perreault (1984) adopt Bagozzi’s sense that a salesperson's need for attainment confidently impacts job satisfaction. Behrman and Perreault (1984. p.13) postulate that “If salesperson have a high need for achievement and are afforded a work environment conducive to attaining individual goals and objectives, then they should experience greater job satisfaction”. In all, Behrman and Perreault (1984) propose that an increase in role ambiguity and
role conflict decrease the salesperson's job satisfaction and in other veins as the level of sales job performance increases, the resultant job satisfaction will increase.

Rapp et al. (2016) posit that individual performance by means of to some extent administrative intentions is a function of both motivation and capabilities, subject to circumstantial aspects. In the context of ambidexterity, forefront workforces need to be inspired to accomplish their dual sales and service roles and have the competence to do so. Scholars measure individual and management influences when investigating the enticement of sales and service workers (Rapp et al., 2016).

2.5 How do salespersons cope with their conflicting sales and service roles?

In order for the salesperson to deliver and improve in his/her roles, he/she must learn to cope with the conflicting roles. Sujan, et al. (1994) elaborated that salespeople who delight in learning have a strong likelihood to attempt different methods to help deal with job challenges. From existing literature, adaptive selling, trust, empowerment and team support have been recognized as coping strategies for salespersons which also enhance sale-service ambidexterity.

2.5.1 Adaptive selling Behavior

Adaptive selling is the varying of sales behavior throughout a customer transactions or across customer relations to suit customers’ desires and hopes (Weitz et al. 1986). Mom et al., (2009) indicate that ambidexterity entails variety of cumulative studies and the willingness to improve and obtain new insight, abilities, and capacities. In order to involve in adaptive selling, sales agents must precisely evaluate the customer’s needs and then correctly adapt their communication style, conduct and attitude to fit the sales condition.

In principle, they must cultivate a distinctive sales pitch in order to involve in a relevant sales exchanges with the customer. According to talkdesk © www.talkdesk.com (accessed on 12/07/2018). Sales-service ambidexterity necessitates salespersons’ to simultaneous pursue cross-/up-selling prospects in addition to pleasing customer service appeals (Sok et al. 2015).
In the present worldwide economy, most salespeople in almost every company will meet these sales circumstances. Hence it is vital they adopt an adaptive selling tactic and persistently cram how to perfect this approach. Salespeople who are ambidextrous are eager to assume actions that encourage them to adapt to new opportunities to reach their goals. Agnihotri et al. (2017, p.35) propose that Sales-service ambidexterity exerts a positive consequence on adaptive selling behavior.

### 2.5.2 Trust

The quality of the give-and-take association can be measured in terms of the consumer's trust in the salesperson and the gratification he has by the exchange (Crosby et al., 1990). Ahearn et al. (2007) assert that since Crosby et al. invented the term "relationship quality," academics have comprehensively investigated both trust and satisfaction. Trust epitomizes a preparedness to depend on an exchange mate in whom one has self-reliance (Doney & Cannon 1997).

Ganesan, (1994) believes that the trustee and the trusted are certain that there is the existence of an upright motivation to esteem the other party as trustworthy, expert, and proficient. On the other hand, the credulous party’s situation contains certain insecurity and liability (Moorman et al., 1992). Trust is a main reconciling element motivating teamwork, efficient engagement, and complete accomplishment of relationship (Morgan and Hunt, 1994). According to Dwyer et al. (1987) trust is a vital variable in the relationship progression.

Moorman et al. (1992) also postulate that consumers have the impression of greater relationship quality and improved assurance when they can trust their suppliers. Doney & Cannon, (1997) suggest that trust in the salesperson has an uninterrupted consequence on the customer’s expectation of imminent exchanges with the vender and the agreement of a lasting relationship. Trust is a principal concept in the examination of relationship marketing (Guenzi, 2001). Adler et al. (1999) pointed out that vital enablers for a business unit to become ambidextrous is by training the workers and trust in relationships with management. Gibson and Birkinshaw (2004) opine that trust is a trait of circumstance that persuades members to depend on the promises of each other. Ghoshal and Bartlett (1994) argue that
persons not only require restraint and expanse to inspire them to push for determined objectives, but also needs support and trust.

2.5.3 Empowerment

Yu et al. (2013) established that in the midst of bank branch customer service personnel transformational headship, empowerment, and team support certainly influence sales-service ambidexterity. Yu et al. (2013) defined empowerment as the jointly held certainty among employees that they reserve the power and duty to choose how to cope with their service supply and selling activities. Yagil (2006) suggests that empowerment gives employees’ leaders or managers the chance to create operational strategies, which is valuable for managing stresses in service provision. Ahearne et al. (2007) continues the argument by suggesting that empowerment is critical if frontline staff are to be flexible and adjustable when serving customers.

In the study of Yu et al. (2013), they theorized that subdivisions of a firm can enhance service-sales ambidexterity if employees are empowered to rank service-sales objectives according to the conditions at hand. They further postulate that empowerment is positively associated to service-sales ambidexterity. Empowerment makes provisions for managers the prospect to create working strategies, which is valuable for handling service pressures (Yu et al., 2013). If employees are empowered to order sales-service goals depending on the conditions under consideration firms can enhance sales-service ambidexterity (Yu et al., 2013). According to them, empowerment exert positive consequences on sales-service ambidexterity.

2.5.4 Team support

Bishop et al. (2000, p.1114) defined team support as “the extent to which employees trust that the team values their involvement and cares for their well-being.” According to Rapp and Baker (2017), sales experts, in the short run, are defied with finding a balance between providing outstanding customer service and increasing their possibility of making surplus sales. Nonetheless, in creating these balances, resources and assistance are necessities the firm must provide to personnel to undertake the job. The
presence of limited resources can be challenging for the firm and employees and introduces undesirable effects on the constant attainment of greater levels of sale and service responsibilities (Evans et al., 1999).

According to Drach-Zahavy and Somech (2002), team support is intensely related to team efficiency. That is the more workers enjoy support from their colleagues, the more efficient they become. When members are performing individual tasks, they depend on one another and therefore encouragement is a vital element to achieve service-sales ambidexterity (Yu et al., 2013).

Yu et al.’s (2013) assessment in the retail bank suggests that branch workforces might work collectively to accomplish group outcomes. Following this argument, de Jong et al. (2005) maintain that leading staff members regularly need suggestions and information from other employees. Hence, the team support from colleagues is a necessary condition to accomplish tasks. Employees trust that when their contribution to the team are recognized to the extent that other team members care about their welfare, there is the likelihood that those members would dedicate extra effort in their work (Bishop et al. 2000). It is therefore laudable that, Yu et al. (2013) theorize that team support has a positive relationship with service-sales ambidexterity.

2.6 Product development

“Product innovation is the introduction of a good or service that is new or significantly improved regarding its characteristics or intended uses; including significant improvements in technical specifications, components and materials, incorporated software, user friendliness or other functional characteristics (OECD Oslo Manual, 2005)”. For a business to be pertinent and sustainable, product development cannot be avoided in the process. Although increased in sales will always be vital to competitive advantage, it is now important for salespeople to focus their attention on service quality and competence to face the unstable demands of customers (Bowen and Schneider 2014). Ambidexterity in this instance is the capacity of a firm to instantaneously accomplish exploration and exploitation actions at a product development level (Prieto et. al., 2007). Mohrman et al, (2003) opine that the principle of product development is the exploration and exploitation of information through a difficult resolution procedure meant to generate offerings that are valuable in the market. Also firms in developing new products must establish the balance between
exploiting prevailing product innovation proficiencies and exploring new ones. According to Leonard Barton (1992) product development literature considers this problem and how organizational features and/or market orientation help firms to face this problem.

2.7 How do sales and service roles of salespersons affect product development?
Sales-service ambidexterity helps improve product innovation. Prieto et al., (2007) suggest that the coordination of composite customer desires to engineering and manufacturing capabilities is essential in the generation of customer value. Cooperation and matching is critically eased when product development assimilates collective understanding of both customer requests and engineering or manufacturing competences.

2.7.1 Exploitation vs. Exploration
March (1991) describes exploitation and exploration as two dissimilar procedures of learning actions between which firms have to balance their care and resources. He considers activities such as ‘refinement, selection, efficiency and implementation’ as exploitative, and activities such as ‘search, variation, risk taking, experimentation, and discovery’ as explorative.
Exploitation in product R&D refers to a firm’s ability to improve and refine key attributes of products already existing in a company’s product portfolio. Exploitation in process R&D refers to a firm’s ability to introduce new investment (or intermediate) goods (Edquist et al., 2001) into an existing production process. For instance, replacing a low-pressure through a high-pressure vessel (due to R&D’s discovery that pressure increase over-proportionally increases production yield) and successive adaptation of the corresponding production process is regarded as an exploitative process innovation. Firms with exploitation orientation tend to invest in activities to reduce deviation and increase efficiency, and does not create new products but rather refine existing products.

Exploration in product R&D refers to a firm’s ability to create products (or product lines) that are entirely new to the company’s product portfolio and are targeted either to serve new customers or new
applications at existent customers, both requiring a significant amount of search, variation, risk taking, experimentation, and discovery (March, 1991). Exploration in process R&D refers to a firm’s ability to create and subsequently adopt an entirely new production process which is new or radically changed compared to the company’s existent production process. Firms with exploration orientation invests in innovation that leads to the formation of new products.

Following the above literature, it can be contended that companies that apportion R&D resources simultaneously toward the pursuit of exploitative and explorative innovation activities achieve a higher product innovation than those that pursue a particular innovation activity (thus only exploration or exploitation).

2.7.2 Idea Generation

Salespeople are borderline spanners in that in addition to their work, they function outside the territories of the firm. As such, they are the first to learn about the activities and strategies competitors. After this, they report back to managers/headquarters about their competitors’ new offering and tactics. Likewise, salespeople relate directly with customers and in so doing, collect countless number of valuable information about their needs. Accordingly, salespeople then relay the information along to their firms to use to generate innovative offerings, modify existing offerings and reframe marketing strategies. When a relationship is built with customers, firms are poised that all great results of innovative products come from properly reacting to customer needs. For this reason, during the product development process firms collaborate with customers. The good ideas, information, views and recommendations from customers serve as helpful hints and thus considered as strategies for developing new products. In recent market development, products whose formation and innovation is created by combining technology and customer feedback or perspectives are bound to have the newest technology, and hence tends to introduce new quality and advantages to meet customer’s desires (Cooper and Edgett 2009).
2.7.3 Customer need assessment

Among the objectives of product development is to please or kindle customers’ needs. To guarantee a successful improvement and operation of new products, diverse opinions count in all department/or units, so integrating expert knowledge from different organizational units is highly crucial during a different product improvement process for a successful product innovations. It is extremely important to acquire consumer needs to foster product innovation (Jing Guo et al. 2016).

Jing Guo et al. (2016) opine that, customers’ need can be organized into three types. These are the customers’ need that can be got directly, the expected and unexpected needs of consumers (Jing Guo et al. 2016). They have the understanding that with the first type, opinion of customers and comprehensive experience of customers can be valuable to attain the needs from customers directly. For the second type, the needs evolution laws and customer scenario study can afford direction for anticipating customers’ need (Jing Guo et al. 2016). The dynamic changes of customers’ need, arouse wide concern for businesses to unearth prospective needs and improve differentiated products (Jing Guo et al. 2016).
CHAPTER THREE

3 Research Methodology

3.1 Introduction

This chapter will further discuss the relevant methods for this thesis, so the reader can comprehend how the thesis have been developed throughout literature and the qualitative data gathered. It explains the research strategy, qualitative research, the research design, the data collection procedures and how the interview questions were constructed from the problem discussion.

3.2 Research strategy

This an exploratory study and in viewing the exploratory research strategy the common approach is to discover new ideas, insights and relationships. The process of assembling primary data, the actual method and how to investigate the collected data is all features of a research strategy (Ghauri & Grønhaug, 2005)

A research strategy helps to indicate what should be done, and why. This makes it an important tool for the researcher. Ahrne & Svensson, (2011) are of the view that research within social sciences can be conducted in two different ways either in a quantitative or a qualitative manner. Bryman & Bell (2007) suggest that a quantitative study can be characterized by a research strategy that highlights quantification in the data gathering and examination.

Alternatively Bryman & Bell (2007) described qualitative researchers as concerned with deducing and interpreting the social world via the participants of the study. A qualitative research strategy appears suitable for my purpose in the sense that I intend to create a deeper understanding highlight on a social phenomenon in this context.

3.3 Qualitative Research

A qualitative research method in form of a case study would be most suitable for this research. The purpose and research question focus on a “how” aspect of a problem, and due to that I ruled out the quantitative method and decided that a qualitative research method would best fit my purpose with the
objective of getting a more detailed understanding of the objects of the study. According to Strauss & Corbin (1998), a qualitative enquiry permits the scholar to explore phenomena, like feelings or thought procedures that are tough to extract or study about through predictable research methods.

The qualitative methods highlight the scientist’s role as a dynamic participant in the research (Creswell, 2005). For this study, I served as the key instrument in data collection, and the explainer of data conclusions (Stake, 1995). With qualitative research methodology there is an opportunity to have a deeper viewpoint than with a quantitative research. In addition a qualitative method is not concerned with setting a value on something, instead it supports to ascertain and describe why something has a relation to other parts (Patton, 2002). Patton (2002) posits that qualitative study has distinctive features that augment the capability to deliver richer and deeper information.

### 3.4 Research design

It is the category of research questions that decides which type of design is to be used (Yin, 2009). The research design embraced for this study is built on a multiple-cases approach where institutions (SMEs) and groups (Managers, salespersons and customers) are the center of consideration in the study. When studying processes and changes, a case study strategy is valuable owing to the fact that it is possible to get a complete view.

Qualitative case study served as the main methodology for this study.

This exact research has been made through multi-case strategy with the thought that by using more cases can enrich the primary data to be more reliable and truthful (Yin, 2013).

Flyvbjerg (2006) believed that greater numbers of good case studies would strengthen social sciences. However, he warned researchers about the five misunderstandings of case study research:

- General, hypothetical understanding is more cherished than real, practical knowledge.
- One cannot generalize on the foundation of an individual case; thus, the single-case research cannot enhance scientific improvement;
The case study research is best valuable to create hypotheses, however other approaches are more appropriate for testing hypotheses and theory building;

The case study research has a bias in the direction of verification, that is the propensity to approve the researchers predetermined ideas; and

It is often difficult to summarize on the basis of specific case studies.

I have selected four companies due to their specific features that fit the objectives of this study. The companies that have been carefully selected are SMEs that operate on different industries. Even though the four case companies does not clearly support generalizability any more than does one case, but it will allow for comparison and distinction between the cases as well as a richer and thoughtful look at each case. Stake (1995) described case study methodology as an approach of survey in where the investigator discovers comprehensive a program, event, action, method or one or more personalities.

### 3.5 Data collection

Österberg (2003): a researcher should choose a technique that can best offer the critical information necessary to respond to the research problems. For this study a qualitative interview was selected. I chose qualitative interviews because it aims to give flexibility and a deeper discussion in the subject area. Yin (2013) suggests that qualitative interviews contain open questions to ask the examinee to react in detail and with their own words. A qualitative interview is preferred if the emphasis of the dialogue is relatively clear, when more than one interviewer is involved or if a multi-case study style is used. It gives a clearer structure and enables easier comparison if the interviews have followed a similar structure (Patton, 2002).

#### 3.5.1 Primary data

The definition of empirical data is primary data (Alvehus, 2013). The collection of primary data was done predominantly through questions that were sent out via email and through interviews that were conducted at the offices of the selected firms.
Grönmo (2006) expresses the view that the questions that are sent out via email must be expressed from the interview guide to guarantee that these questions were effective equally as the interview ideas. There are numerous diverse styles and types of interviews such as structured-, unstructured-, standardized-, group- and focused interviews (Bryman & Bell, 2007).

Semi-structured interviews were done, a prevalent choice of style (Rubin & Rubin, 1995), with prearranged interview guides to retain that flexibility and be able to receive rich and detailed answers. This kind of interview allows the scholar to have a prearranged sets of questions as and together gives the necessary opportunity to ask follow-up questions.

The semi-structured interview style will enhance general applicability and comparability of the results and also help retain the qualitative character of the study. In the latter process, the primary data will be evaluated in consistent with the theoretical framework.

### 3.5.2 Secondary data

Alvehus (2013) describes the other part of empirical data as the secondary data indicating that this data was created by someone. The secondary data is derived from an already existing data. It saves time and resources and easily provides useful information for the thesis.

The secondary data used for this thesis is mostly based on scientific papers and journals found via the school library by thoroughly looking for the specific topic. A quantity of journals which I found relevant for the project have been used. In addition to the above, I found some information on the internet together with information from the SMEs websites and other information has been used to collect valuable secondary data.

### 3.5.3 Selection of SMEs

In selecting the specific SMEs for this project, a 2x2 matrix as designed to decide on the four (4) SMEs for the case study. The EU Commission user guide for the definition of SME, 2015 proposed that on the
criteria of staff headcount (size of the firm), annual total revenue and annual balance sheet, a firm can be identified as an SME. Based on these standards the groups of SME involve an enterprise which employs less than 250 persons and either have an annual total revenue not exceeding €50m and an annual total balance sheet not greater than €43m. The size of the firm (staff headcount) covers full-time, part-time, temporary and seasonal staff. I therefore categorize my criteria in choosing the SMEs as:

1. The size of the firm
2. The nature of the SME

In explaining the size of the firm, it clarifies whether the enterprise is a micro, small or medium-sized. A micro enterprise hires less than 10 persons and has a yearly turnover and or yearly balance sheet not above €2million. Likewise a small enterprise hires less than 50 persons and its yearly total turnover or balance sheet does not surpass €10 million. Medium-sized enterprise hires less than 250 persons and either have a yearly turnover not beyond €50 million or annual balance sheet not beyond €43million. Alternatively, the nature of the firm designates whether the firm is either in the (a). Service /Trade and distribution sector (b). Production/Manufacturing sector. The 2X2 matrix design is provided below.

2X2 Matrix of Firms

![2X2 Matrix of Firms](image)

Figure 1

From the figure 1 above, Firm A is a Micro Enterprise in the Service Sector, Firm B is a Medium-Sized Enterprise in the Service Sector, Firm C is a Micro Enterprise in the Production Sector and Firm D is a Medium-Sized Enterprise in the Production Sector.
The service sector is part of the germane areas of an economy. In a country, it contributes to the gross domestic product (GDP). From the Longman Business English Dictionary, the service sector covers companies, institutions, and events in an economy that offer facilities such as banking, transport, tourism etc., instead of industrial goods.

It is a business complete of firms that mainly make income by providing intangible products and services. Service organizations operates in trade, transportation, dissemination, food services, and other service-organized trades.

Manufacturing division well-known as secondary sector, occasionally as production sector, comprises all scopes of actions that convert raw materials into products or goods. From the business dictionary, the production sector also known as the manufacturing sector is an agglomeration of businesses affianced in element, mechanical, or physical conversion of resources, materials, or constituents into customer or trade products.

"Exploration" refers to developing new products and services; “exploitation” refers to improving existing operational processes in the firm; and “ambidexterity” refers to the simultaneous combination of exploration and exploitation. As service firms rarely use the term R&D for their innovation units.

Atuahene-Gima (1996) in assessing the variances in managers’ perceptions vis-à-vis success factors for new product and new service development finds out that service firms and manufacturing firms emphasis on similar factors, but that the comparative significance of these factors are not similar. March (1991) posits that the service innovation process is anticipated to be akin to the product innovation process in that service firms similarly need innovative actions that center on exploration and exploitation to be competitive in the short term and long term survival.

Manufacturing firms most importantly emphasis on product innovation advantage and quality, unlike the service firms which is about human resource strategy Atuahene-Gima (1996).

Services unlike products are less tangible, perishable, and upon their delivery need customer interaction (Bowen and Ford, 2002). Moreover, services often have to be produced when delivered. Manufactured Products can be held in stock, so a buffer can be created to reduce disparities in demand or supply (Bowen and Ford, 2002), which is not the case for most services.
The production system in many service firms is planned by the front desk, coupled with both the consumers and the present developments of a firm (Bowen and Ford, 2002). In manufacturing firms such a front-desk activities are mostly absent. Atuahene-Gima, (1996) in his view stated that the integration of exploratory and exploitative activities with this front desk seems essential in service firms.

3.5.4 Interview guide

Creating an interview guide is valuable, especially when conducting interviews (Yin, 2013). According to Yin (2013), an interview guide assists the researcher to be calmer and expands the ability not to overlook any important parts of the interview. The interview guide is critically created from the theoretical framework. It has its substance from sale-service, trust, job performance, role stress, empowerment, team support, product development, idea generation and customer need assessment.

The thought behind this is that it expedites the capacity to get an outline of the ideas that are to be deliberated throughout the interview session. This interview guide starts with considerable open and broad questions about the background of the company and tailor through to the entire activities of salespersons.

This initial stage of the interview is to warmly introduce the interviewee into the interview. That is to make the interviewee free from anxiety and easy with the odd condition of the interview (Patton, 2002) after which the conversation continues with a more detailed interrogations.

3.6 Ethics

Ethical characteristics accompanying good research practice were measured in order to respect behavioral requirements (Vetenskapsrådet, 2011). This implementation confines scholar's responsibility to candidly present the process and findings of the study. This was emulated in this study.
This study is executed agreeing to academic research moral rules. For the firmness of the study at an earlier stage all information about the research and how it was conducted was made known to the respondents. Also, all respondents who wish to keep their identity unidentified were granted that opportunity. Similarly, all information obtained were treated with great confidentiality.

Again, all the participants of the interviews were guided by voluntary inclusion and none was forced or included at the cost of their wishes (Dodge, 2011).

In addition to the above, I spelt out the agreement that all information gathered at the interviews would only be used for the purpose of the study as prescribed by good research practices.

3.7 Operationalization

Operationalization elucidates linked between theoretical framework and the research questions and how it is crafted. According to Yin (2013) the operationalization enables the investigator to define how the research questions were taken out from the theoretical framework.

The questions from the interview guide are open ended questions formulated and structured from the theoretical framework. The theoretical concepts that the questions relate to are: sale-service ambidexterity, job performance, job satisfaction, role stress, adaptive selling behavior, trust, empowerment, team support, exploitation and exploration, ideal generation and customer need assessment.
CHAPTER FOUR

4 Results

4.1 Introduction

The empirical results from the interviews conducted with the four companies of which two are service firms and the remaining two are manufacturing firms are presented in this chapter. The findings from the interviewees are structured and presented well for better understanding and overview.

4.2 How salespersons cope with their conflicting roles.

In answering this question, these are the thoughts of the participants from the case companies.

4.2.1 Adaptive selling behavior

Salespersons in their pursuit of sale-service ambidexterity adapt their selling behavior to suit the desires and aspirations of the customer. From the point of view of Firm A, the firm adapts its services and products as well as the selling behavior of the salespeople to the demands of their clients. It was indicated that, the company exist to serve the needs of our customers and that it tries very hard to provide what they (customers) need and cherish. The interviewee said “We adapt our products and services to reduce disruptive conflicts and misunderstanding with our customers”. It seems pleasant to state that ambidextrous salespeople in micro-size enterprises adapt their selling styles to suit the customer desires to activate their (customer) repurchase intentions.

From Firm B, the respondents inferred that, here, their sales team go through series of learning to improve and obtain new knowledge and skills to adapt to the sales situations of clients. The integral goal for the sales team is to render attractive customer service which will improve sales targets and relationships with their clients. They declared that for their products, they cannot adapt it to meet every specific customer need. The respondents specified that they have a lot of clients and if they try to adapt their products to each customer’s needs then they cannot boast of producing a single product. This builds the impression that medium-term service firms seek to standardize their offerings than adapting to sales situations of customers.
The interviewees from Firm C said that, adaptive selling behavior encourages long-term relationship. Their sales people are very polite and they provide good services for their clients. Sometimes we make deliveries at homes of our clients and sell different products based on the client's demands. Each plant adjusts our products to our clients' needs. "In Beringen, we produce a particular kind of Moroccan tea to suit our numerous Moroccan customers located in that area. Most importantly we adapt our selling behavior during our peak periods of the year, the summer and winter times usually the Christmas and New Year seasons." This backs the assertion that ambidexterity enhances adaptability (Cruceru et al. 2005) and fosters long-term relationship between the salespersons and the customers.

4.2.2 Trust

It was gathered from the respondent from Firm A that their customers do not question them on what they provide for them because they trust that they supply what is good and meet their requests. He said "they trust us and we also trust them too". The firm offers great loyalty programs purposely to inspire confidence in their clients and they (customers) trust that whatever they offer is reliable. This complement the proposition that trust should be reciprocal and that the quality of the interaction between the salesperson and the customer can be evaluated by customers trust in the salesperson.

Again, the interview with Firm D indicated that they vary their selling attitudes to suit their customers. Especially if it does not cost the firm nothing much. "Our production is capital intensive and if we decide to meet or adapt our selling behavior to all the customer demands it will cost the company so much more to meet or adapt our selling behavior to all the customer demands. On the contrary, we try as much as possible to adapt our communication and other human attitudes to fit our customer desires. Hence, based on the accounts of the interviewees, it seems reasonable to suggest that ambidextrous employees increase their adaptive selling behavior in order to achieve their sale-service responsibilities.
accept every advisor decisions we give to them”. They have consistently built this trust with their clients because their clients know that they are experts in what we do. The firm is committed to fulfilling the demands of the customers. The sales team honor their commitments with passion. Over this years this constant practice has relieved them of sales distress because “we keep increasing our customer base and the more customers we have, the more sale we make”. This explains the notion that customers assess salespeople and make their purchase decisions based on what they observe (Ahearne et. al, 2007).

The interviewees from Firm C stated that “It is because of trust that we have been in existence for over thirty-five years. It has aided us to form a solid relationship with our clients”. Definitely, you have to be truthful to the customers and we give information and good advice about our products to our clients to maintain our long-term relationship with our customers. In fact it is the main reason why our customers come back to shop from us despite the huge competition. In the long term you can make big sales and it is important than to make big sales in the short term. It is therefore fair to suggest that trust positively affects the quality of relationship that exist between the salespeople and the customers.

The respondent from Firm D also believed that without trust you cannot go anywhere as a company. The firm has managed to build a strong trust between them and their clients. Trust is a fundamental approach towards self-confidence. Their customers know that they supply on time and stick to their promises. He said “even when we miss our delivery dates due to circumstances beyond our control, our customers’ trust that we deliver after a day or few days”.

Ambidexterity leads salespersons to be dependable, competent and capable of handling customer qualms and vulnerabilities. This seems to suggest that trust in the salesperson suppresses the customers’ fears and fosters long-term relationship with the customer.

4.2.3 Empowerment

In this regard, firm A’s respondent indicated that each employee has the power to decide on any important matter that will be advantageous to the company. For instance recently my next in command travelled to Dubai to inspect the facilities and structures that we book for our clients. She said “This
helps us to experience what we give to our clients ourselves so that we can give them exactly what they requested for. Again we get to know the standard and state of our products and services we provide for our clients”. In effect, this seems to suggest that empowered salespersons are likely to deliver complementary services to satisfy the customer which will motivate him/her to come back again.

From the interviewees in Firm B, it was gathered that they empower their staff to accomplish their sales and service delivery roles. They do not have all the powers to do whatever they like but they have the maximum authority to manage their service provision and selling activities. Periodically their management makes available to their workers their sales performances and the overall company performance. They said, “Our sales team are properly trained and informed to make good decisions to make our customer satisfied. Sometimes our customers need quick response to their enquiries and our employees have the mandate to attend to their (customers) needs to make them happy”. It can therefore be established that empowered salespersons are able to deliver smooth and fast services to their clients-who are not patient to accept delayed service delivery- and thus enhances competitive advantage.

The respondents from Firm C stated that empowerment is key to success and without empowerment from their bosses and colleagues they cannot be successful with their roles. The Salesforce have their own ways of handling matters due to each ones creativity, classic styles and abilities. The workers are trained to learn new technologies and plant breeding skills. They attend courses to broaden their knowledge on new trends and market forces. Hence, it is laudable to suggest that if salespersons reserve the power and obligation to decide how to manage their service delivery and selling activities, it to some extent increases the trust that customers have for them. This is because customers see empowered salespersons as on top of issues and conversant with their roles.

It was gathered from Firm D that workers of this company do not have the power to decide on anything on their own. They work according to the plans and structures of the company. Though the boss motivate them to give out their best and involve them in decision making, they cannot take or make any decisions without his (boss) concern or knowledge.

It therefore seems likely to suggest that firms make it easier for salespeople to accomplish their roles when they (salespeople) are empowered and that empowerment fosters sale-service ambidexterity.
4.2.4 Team support

According to the respondent from firm A, the salespeople work hand in hand with one other. The role each salesperson plays will not be complete if s/he does not get the support s/he needs from his/her colleagues. Team support is crucial in their roles and workers do not have any problem to complete the transactions their colleagues begun and did not complete and vice versa. It was noted that they are one another’s keeper in executing their roles. I therefore suggest that ambidextrous salespersons will go extra mile to team-up to accomplish their task at hand.

The interviewees from Firm B indicated that they work in a way that they value the contributions of each employee. We ride on one another’s shoulders to complete our duties. Working as a team reduce the stress associated with our sales roles. Sometimes salespeople require certain information and resources from other staff members to carry on with their duties. Therefore the well-being of each employee is very important to the company. They said, “If you are not a team player, then you cannot work with us”. This reaction creates the impression that salespeople in service firms require total support from colleagues to be able to undertake their duties efficiently.

From the account of Firm C, their work is a give and take affair, no one can work alone without the support from other colleagues. Actually, there is no rivalry among them. They possess different knowledge of their products and they work together to sort themselves out. It is obvious from this reply to state that rivalry is common among salespeople sometimes due to their individual sales targets but the presence of team support reduces the harshness of this rivalry.

Respondent from Firm D indicated that their team is such a way that no one can work well or perform well without the help of other workers. Team support is very relevant to the company to the extent that they rely on the support and cooperation they receive from one another to accomplish their tasks. Hence, it seems logic to suggest that team support encourages ambidexterity among salespersons in that coworkers can reestablish the stability when sales and service happen to be inconsistent.
4.3 Product Development

4.3.1 Exploration and Exploitation

This is what the interviewee from Firm A said about their firm’s involvement in exploration and exploitation. “My colleague and I develop exclusive group tours with Dutch speaking guides to several destinations as Japan, Ecuador, Georgia, Egypt, Kenya, and Tanzania. We also organize group cruises in collaboration with MSC cruises. In promoting our own organized tours so we can distinguish ourselves on the market. For these tours we work together with specialized incoming agents or tour operators who have all the knowledge and connections. We promote all these holidays through our website and the website of De Zigeuner during our open exhibition days in the beginning of January and through the social media and the print media”.

Firm B on the other hand produces different kinds of their core product based on the market expectations. The respondents said that they apply many technologies in planting their products or crops. Since they export most of their produce, they make sure that the products meet EU quality standards. Their greenhouse is designed in a way to adapt to warm and cool climate conditions because their produce is a warm season crop and cannot withstand high humidity. All the activities and technologies they use aim at refining their existing product as a result of customers’ critiques and seasonal trends. “If we decide to introduce new products, then we have to diversify our investment into different farm crops or product. Knowledge cannot be found in one head, yes we get information and advices from many crop scientists mainly from research institutions and university labs”. This expresses the idea that medium-term service firms seek to invest in exploitation strategy than to capitalize on exploration strategy. They embark on improving on existing products and following progress in their present markets.

According to the respondents from Firm C, there is evolution in what people wants and they do apply exploration and exploitation a lot in their activities. It is like fashion. They produce alternative plants to replace the old ones. They sometimes produce new variations or breeding of plants. Their products develop based on the region, cities, or culture of the people. They travel to other parts of the world to identify and learn new products on the market especially some places like Italy, Netherlands, and Germany. They also attend plant fairs to keep track of new trends of products within their industry.
From the account of Firm D they engage in gathering information from diverse sources (both internal and external) so as to define customer requirements to differentiate their products. "For us, we explore for new ideas from our customers, sales team and technological trends". Their research and development team analytically evaluate these information to take actions in refining their products. The main purpose is not to introduce new products but to focus on developing existing products. They are focused on achieving efficiency by adopting new technologies aim at improving the use of their resources and assets. They are poised at improving their product quality, and reducing production cost.

Excerpts from the respondents suggest that tension arises in firms (March, 1991) due to the fact that SMEs are resource crippled and lack the adequate means to pursue various strategic concerns (both exploration and exploitation) concurrently.

### 4.3.2 Idea Generation

The respondent form Firm A specified that their company exist solely because of their clients. She indicated that they generate lots of ideas and information from their clients. At one instance they interview their clients to identify some problems they encountered in their process of accessing their product and services. In other instance they give their clients some questionnaires to fill for them after their trip or after accessing their products and services. This helps the firm to learn about the problems customers face in order to formulate solutions to deal with the problems. She said they are very careful on this because their purpose is to give what customers want so that they will come again another time and not to waste resources on what no one wants. In effect companies that open up to listen to the criticisms and recommendations of their customers are able to produce satisfactory products for their customers.

Firm B’s interviewees responded that what they have realized is that their customers do not usually suggest entirely new products but rather tend to suggest perfections and modifications to their already existing products. From their remarks, they observe market and consumer trends to know which product to create or remove. The customers are very important to the firm because they are their main source of ideas for modifying their products. They ask them (customers) to make suggestions based on
their experiences with the firm. The firm has a suggestion box around and it makes them (our customers) feel important as vital part of their growth. The interviewees submitted that they sometimes make informal interviews with their customer without making them aware that it is a process of getting information to better their products and services.

It was gathered from Firm C that the firm gets information from its clients and competitors to help the R&D department to modify their products. They showed that “getting enough ideas from the customers is very important so our boss keeps telling us to build customer relationships because building relationships with customers will helps us identify what they want”. For firms to secure lucrative ideas from customers, it depends on the quality of the relationship that exits between the salespersons and the customers.

The respondent from Firm D stated that identifying good product ideas is very crucial for as a company. They usually sit down as a team to brainstorm on their product issues. The sales team and other staff members speak with their customers daily, hearing feedbacks about their product and customer needs. “Here we promote a shared culture of development and team support therefore we make sure that we recognize their (employees) ideas”. Sometimes too through the media they get to know and understand their competitors. He indicated that they are used to organizing market research to understand how the ideas they get from customers will be translated into a solution.

I therefore make the proposition that products that meets customers’ tastes and preferences are those that were developed through the efforts and consistent recommendations from the customers. Hence ambidextrous salespersons creates opportunity for customers to share with them their ideas necessary to augment their product development.

### 4.3.3 Customer Need Assessment (CNA)

Firm A’s respondent showed that they invest time and efforts into understanding what their clients need in order to secure a long term customer relationship. She said “We uncover the exact needs of our clients to position our products and services in a manner which will fulfill their needs. We engage our customers in conversations when they come to our offices. Also we give or send questionnaires through their emails to be filled for us”. It was noted from her response that sometimes they chart with them
(customers) on the telephone to listen to their grievances when the need arise. They do so to understand and adapt to changes and keep fresh on their clients expectations. She believes that CAN is a great tool in achieving a consultative mindset with their customers. I therefore suggest that in order not to produce goods that are surplus to requirement, service firms must assess needs of their customers to give directions as to what, when and how to change or develop on existing products.

The Firm B respondents explained that customer need assessment is the first phase of their product development before they proceed to generate ideas from their customers. They believe that it helps them to plan, evaluate and prioritize their product development projects. They said, "We definitely want to cover all the important needs of the customer to avoid producing something they will not cherish. It guides us to specify the objectives of the new products we introduce”. This is to propose that product development process will not be complete without the inputs of customers.

From Firm C, they orated that it is important that you listen to your customers. They pronounced that "when a lot of them (customers) consistently demand for one particular plant we end up producing that plant for them”. That is most of their innovation and developments begin from the demands of their customers and sometimes at the plant fairs which they usually attend. This position supports the notion that product development is a rapid and continuous process in that firms amend their products as and when customer preferences change.

It was generated from the respondent from Firm D that based on the information they gather from their clients and sales team, they make a list of customer needs and prioritize them accordingly. It allows them to identify existing weakness, gaps and other areas of their product that demands improvements. He orated that they have a reliable team that decides on which ideas among the lists of customer needs to pursue. He was of the view that in order to satisfy their customers, they must be able to be effectively capture, analyze and understand their customer needs. It seems laudable to suggest that assessing the needs of your customers helps to prioritize their (customers) needs according to the most pressing. This helps SMEs to allocate their scarce resources efficiently and effectively to satisfy customer preferences.
CHAPTER FIVE

5 Discussion and Conclusion

5.1 Discussion

The firms are expected to attain a balance between sales generation and service provision through the efforts of the salespeople. In other words, salespeople are anticipated to perform roles that will lead to providing value for the firm and at the same time providing value for the customer. This research investigates how the concurrent pursuit of sales and service delivery by salespeople impact product development. The results show that as the need for sale-service ambidexterity (SSA) increases, salespeople may adapt their selling behavior to suit the desires and aspirations of the customer. That is, salespeople focus their attention towards selling a product or service to the customer with regard to the situation at hand.

Three out of four of the studied companies confidently anticipate that adaptive selling behaviors of salespersons enable salespeople to alter their messages to fit customers’ needs and favorites thereby helping them to cope with the anxieties connected with their incompatible dual roles. In effect it enhances sale-service ambidexterity (SSA).

Moreover, in three of the four studied companies, empowerment of salespeople was very important tool for coping with sale-service ambidexterity. As a result, the strength by salespeople in achieving sale-service ambidexterity is likely to decline as empowerment decreases. It was only the medium-size manufacturing firm (firm D) that feels reluctant to decentralize control to some extent among the employees. Empowerment is no exception tool leading salespeople to managing their multifarious situations due to the fact that if the salespeople are empowered to carry out their sale-service role effectively, it enhances sale-service ambidexterity (SSA).

Furthermore, all the case companies considered trust and team support as means of dealing with the conflicting dual roles of salespersons. This indicates that both service and manufacturing firms no matter the size appreciate the fact that trust in the salespeople and team support are important in realization sale-service ambidexterity.
Sale-service ambidexterity (SSA) ensures that salespersons organize and execute their roles in a manner to win the customer’ trust. It is evident from the responses from the interviews that no matter the type of firm or the size of firm, the firm seeks to gain customers trust in their salespersons and in the firm as a whole. Both team support and SSA positively influence each other. That is if team support is effective among salespeople or employees of a firm, it can enhance sale-service ambidexterity (SSA) and vice versa.

In addition, in all of the four studied companies, they believe and practice exploitation and exploration in their quest to develop their products. The varying notification is that none of the firms has reached a balance between exploitation and exploration. They either practice exploitation more than exploration or vice versa. It was evident that both the medium-size service and manufacturing firms engage in exploitation than exploration whereas the micro-size service and manufacturing firms concentrates on exploration more than exploitation.

Again, customer need assessment in product development was of very high importance among all the four case companies indicating that micro size or medium-size service firms and micro size or medium-size manufacturing firms may consider customer need assessment matters as among the topmost product development priorities.

Similarly, all of the four case companies considered generating ideas from the customers as important in product development. By assessing the customer needs, the firm is able to incorporate ideas from the customers to develop the products. This will help reduce the production of goods and services that go waste because customers do not want. The companies evaluating achieving a balance between exploration and exploitation, idea generation and customer need assessment as part of their topmost development priorities may expedite the essential success of their product development or innovation and the whole company.
5.2 Conclusion

In summary, the study demonstrates that the pursuit of sale-service ambidexterity (SSA) contributes to role conflict for salespersons but they are able to manage their conflicting roles through the following strategies.

Firstly, they adapt their selling behavior to suit the desires and aspirations of the customers they serve. Secondly, they work hard to gain their customers’ trust. Thirdly, they are empowered by their sales managers which makes them feel confident to execute their roles smoothly and fast. Fourthly, they enjoy team support from their colleagues to enable them to muddle through the pressures that accompany their roles. That is to say that the research conveys the notion that adaptive selling behaviors of salespersons, trust in the salespersons, empowerment of salespersons and team support from colleagues motivates salespersons to fulfil sales-service ambidexterity.

Moreover, the study shows that sales-service ambidexterity impacts product development through exploration and exploitation activities. Ambidextrous salespersons adopt new technologies to search for new knowledge to augment the existing knowledge to develop their products. It further shows the importance of customers in the product development process. Customers are at the receiving end and therefore whatever they say about the product goes a long way to affect the sales of the product. In effect, ambidextrous salespersons elicit ideas from the customers to aide them in developing new products and modifying existing ones.

Again, ambidextrous salespersons consider their customers’ needs, prioritize them and relay the information to the research and development unit to incorporate them in product development. That is the pursuit of sales-service ambidexterity encourages salespersons to explore new opportunities and exploit their existing competencies to generate important ideas from their customers, prioritize them and use them in their product development process.

Taking the sampled firms into consideration, how the salespersons working in these firms cope with their conflicting sales and service roles is indifferent from one another. All the salespersons accept as fact that adapting their selling behavior, trust from customers, empowerment by managers and team support from colleagues are promising means of coping with their contradictory sales and service roles. This affirmation seems rational to conclude that for service and manufacturing firms irrespective of their
size, salespersons resort to adapting their selling behavior, trust from customers, empowerment by
managers and team support from colleagues as sure strategies for dealing with their inconsistent sales
and service roles. The only exception observed is that firm D that is medium-size manufacturing firms
don’t support the assertion that empowerment of salespersons is a role stress coping mechanism for
salespersons. That is salespersons in medium-sized manufacturing firms do not possess the liberty and
discretion to attend to customers situations. They do not enjoy the flexibility to attend to customer
needs without the knowledge of the boss/manager.

On the aspect of product development, all the case firms testified to the fact that exploration and
exploitation, idea generation and customer needs assessment play influential roles. This indicates that
sales employees in micro-size service/manufacturing firms and medium-size service/manufacturing
engage in product development process by exploring new opportunities and exploiting their existing
competencies to generate important ideas from their customers and prioritize them to attend to the
most pressing needs of customers. It is also observed that SMEs lack the resources to pursue exploration
and exploitation at the same time. The firms switch between exploration and exploitation. The micro-
size firms whether it is a service or manufacturing firm prefer exploration to exploitation. On the other
hand medium-size firms whether it is a service or manufacturing firm prefer practice exploitation at the
expense of exploration.

The study discovered new insights in academia that the stress attached to salespersons’ job can be
managed to foster progress in their performance. Also the study has brought to light that customers are
the integral part of product development and that all attributes of the product should correspond with
what customers like. Moreover, for a firm to continue to stay in business, product development is a
must and continuous process which should correspond with the unstable customer taste and
preferences.

In addition to the above, the study brought to the forefront that service firms seek to adapt their
products and operation unlike manufacturing firms which resort to standardization of product.
5.3 Recommendations

Firms that require sale-service ambidexterity (SSA) from their sales force must consider investing in their salespersons’ development by training them to acquire the necessary skills and capabilities. This will inspire them to be able to cope with the stress associated with their conflicting sale and service roles.

Also, managers must stick to empowerment strategies to decentralize some control to the salesperson especially in dealing with customers concerns. Sales managers must be equipped to empower their Salesforce, all necessary adjustments should be made to obtain customers’ trust in the salesperson and salespeople needs the support of other workforce or team members in performing their roles.

Again, managers must specify salespersons roles and group them according to the specified roles. This will help reduce the burden of salespeople especially when they focus on either service delivery or sales generation. Most importantly, firms must have a separate customer service department to deal with service provision roles of salespeople.

Lastly, managers must embrace the culture of involving their customers in developing their product. Customer feedback has developed to be a treasured source of product development and therefore managers should take note and actively involve customers in product development process. The customers who possess greater expectations from their ambidextrous Salesforce share their ideas and needs to enable the modification of the product. Nowadays the ideas and the needs of customers cannot be relegated to the background. Managers must exploit their existing competencies and at the same time explore more to acquire new knowledge to develop their existing product. Firms must implement strategies that support exploiting existing opportunities and exploring for radically new opportunities at the firm level, employees level and either focus on exploitation or exploration at some periods in time (Chen 2017). At the firm level the top managers of the firms must effectively coordinate the activities of the divided departments in the firms (O’Reilly & Tushman, 2016). Also, at the employees’ level, firms must empower their employees to choose either to explore or exploit without any restrictions (Birkinshaw & Gibson, 2004).

When these afore outlined recommendations are adhere to, it will lessen the burden of Sale-service ambidexterity and help improve on product development.
5.4 Theoretical Contribution

Theoretically, this research has contributed to the existing knowledge on ambidexterity. Sok et al. (2015) made a case on the need to expand the literature on salesperson ambidexterity. This research has responded to this case by exploring the impact of sale-service ambidexterity on product development. The results confirms the work of R. Agnihotri et al. (2017) that sales-service ambidexterity positively impacts adaptive selling behaviors of salespersons.

According to Yu et al. (2013), sale-service ambidexterity produces role ambiguity for the salesperson, the results shows that as salespeople increasingly pursue both sale and service roles they progressively acclimatize and muddle through the pressures they encounter. On the account of product development, customers input grown to be inevitable and that ideas from customers are very important part of product development. It further demonstrates that they gradually contribute to product development by collaborating with customers.

As typical for case research, it is not possible to generalize the results directly to apply them to other companies’ because of the small sample of studied companies, and thus they can be openly functional only to the studied individual companies.

5.5 Further Studies

Issues on generalization in research is very indispensable. With this current research the data collection covered four firms two of which are service firms whereas the remaining two are manufacturing firms. I believe that until the data is collected from a greater number of firms, the results will remain open to debate. I will urge other researchers to expand the case companies to cover many firms in different industries in order to be able to generalize the findings.

Also, the findings can be confirmed in other studies by changing the research methods and or involve different quantitative and qualitative approaches other than what it is used in this research.

Furthermore, March (1991) advocates for a balance between exploration and exploitation, however in this study none of the case companies achieved a balance between exploration and exploitation, they practice one at the cost of the other. Subsequent research can explore whether exploration and
exploitation can be practiced equally or not and if yes, how and if not, what proportion of each is preferred?
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I am Benjamin Attakorah, a master of management student at Hasselt University, Diepenbeek Campus.

I am writing my thesis on “The Role of Sale-Service Ambidexterity in Product Innovation; A Study in Small Scale and Medium Enterprises (SMEs)”. The research seeks to explore and find answers to the following questions;

- How do salespersons cope with their conflicting dual roles? (Thus their sales and service roles).
- How do the opposing sales and service roles of salespersons affect product innovation?

I therefore seek an up-to-date information about your knowledge and expertise on the above topic and research questions. Any information given will be kept confidential and shall be used solely for the purpose of this research. Your immense contribution will highly be beneficial and appreciated.

BACKGROUND INFORMATION

Name:

Position:

Name of company:

Year of establishment:

BASIC ECONOMIC INFORMATION ABOUT THE FIRM

1. Do you consider your firm as a Service firm or Manufacturing firm and what are your firm’s main products?

2. What is the total number of your employees?

HOW SALESPERSON COPE WITH THEIR ROLES

1. What are the main causes and effects of the pressures associated with your roles?

2. How do you combine your sales and service workloads?

3. Explain how adaptive selling behavior helps you deal with your sales and service roles?
4. Do your customers trust you? How does it help you to cope with your roles?

5. Do your salespeople have the mandate or authority to immediately address customers’ concerns or take decisions?

6. Do you work as a team? How do your colleagues support you?

PRODUCT DEVELOPMENT

1. What is your role in product development?

2. How do you employ exploitation and exploration in your new product development?

3. What roles do your customers’ play in your product development?

4. Why and how does your firm consider idea generation as a critical factor to products innovation?

5. How and why does your firm consider customer need assessment as important to products innovation?

Thank you for your time and cooperation.
Auteursrechtelijke overeenkomst

Ik/wij verlenen het wereldwijde auteursrecht voor de ingediende eindverhandeling: The Role of Sale-Service Ambidexterity in Product Development. A study in SMEs

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