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Why are you really losing sales opportunities? A buyers' perspective on the determinants of key account sales failures

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ABSTRACT

Key account sales are important for business organizations. Understanding why some of these sales proposals fail from the buyer's perspective has organization-wide implications for improving firm performance. Extant literature lacks a clear understanding of the process-based determinants of sales failure within a key account context. Another problem with this research stream is its reliance on data from the salesperson, sales manager, and/or selling firm, which can introduce attribution biases. Our research overcomes sales failure attribution biases by collecting data from the industrial buying center's perspective. Thirty-five semi-structured interview cases were conducted with buying decision makers following failed key account sales proposals. The result of this inquiry is a model which outlines the determinants of sales failures. We identify three common drivers of sales failure: adaptability, relationship-potential, and cost considerations. Results indicate that these established constructs are more complex than previously specified, each having multiple attributes as defined by key account buyers.

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1. Introduction

> "Empirical investigation of how and where failure analysis and recovery efforts fit within the relationship-selling approach has the potential to create an entirely new stream of academic research and produce meaningful implications for progressive sales organizations."
> [Gonzalez, Hoffman, & Ingram, 2005, p. 63]

Wathne, Biong, and Heide (2001) advise that understanding determinants of rejection decisions can enable sales organizations to identify issues that must be addressed to prevent future rejections. Thus, understanding drivers of key account buyers' decisions to reject a sales proposal can have organization-wide implications, such as improving corporate success and enhancing its ability to compete in future contested sales (Gonzalez et al., 2005). In this research we focus on identifying drivers of unsuccessful key account sales proposals from the buyer's perspective. While current research provides some understanding of buyer–seller relationships based on value determination from this perspective (e.g., Mitręga & Zolkiewski, 2012; Tähtinen & Blois, 2011; Tuli, Kohli, & Bharadwaj, 2007; Ulaga & Chacour, 2001), further insights can be offered by understanding the buyer's perspective of failed major sales opportunities. Thus, studying the buyer's assessment of sales failures will offer a unique perspective of why sellers are really losing sales opportunities.

At the salesperson level, attention has consistently focused on sales performance to better understand how to improve the efficiency and effectiveness of the selling process (e.g., Park, Kim, Dubinsky, & Lee, 2010; Wachner, Plouffe, & Grégoire, 2009). This emphasis is due to the salesperson's critical role in contributing to sales volume, profits, and customer satisfaction (Baldauf & Cravens, 2002). Relatively little research, however, has been directed toward issues of sales failures (Morris, LaForge, & Allen, 1994). Nevertheless, this topic is gaining greater attention in sales research. As noted by Tähtinen and Halinen (2002), exchange relationships have a beginning, a life between, and an end, only more recently is the ending phase of relationships getting attention. Likewise, some relationships fail to originate, also resulting in a sales failure.

Morris et al. (1994) point to two limitations in the sales failure literature. First, they cite a lack of sales failure conceptualization, especially compared to sales success. Mitręga and Zolkiewski (2012) argue that knowledge in general about buyer–seller exchanges is too unilateral and focused only on the positive, calling for a greater focus on the negative aspects of buyer–seller exchanges. Additionally, while scholars have studied concepts such as relationship and marketing effects on

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supplier selection, the literature suggests that there are shortcomings presented by existing methodologies, such as the uni-dimensional treatment of constructs within conjoint analysis (e.g., Wathne et al., 2001). In order to overcome these areas of concern, future researchers are encouraged to consider retrospective approaches in which insights are derived from buyers who have recently completed the supplier selection process and focus is given to actual endings rather than just intentions (Tähtinen & Halinen, 2002; Wathne et al., 2001). This study addresses this first limitation through a discovery-oriented analysis of post-mortem depth interviews. The naturalistic research design helps develop the conceptualization of sales failures within key accounts and is consistent with similar discovery-oriented, or theories-in-use, approaches (e.g., Bendapudi & Leone, 2002; Tuli et al., 2007).

The second limitation in the sales failure literature identified by Morris et al. (1994) pertains to the need to overcome causal attributions derived from collecting data from salespeople or sales managers: "With regard to causal attributions, managers were more apt to link failure to causes controllable by the salesperson, rather than to environmental or company factors. In fact, company factors were emphasized least, suggesting managers take little personal responsibility for failure" (Morris et al., 1994, p. 12). Dwyer, Hill, and Martin (2000) assert future research should examine this phenomenon from the buyer's perspective since they provide a unique perspective that sales organizations should incorporate into the way they develop, sell to, and provide for buyers. These varying perceptions may be a result of the differences between buyers' and sellers' valuations (e.g., Tuli et al., 2007) and their unique perspective on the determinants of relational outcomes (Tähtinen & Halinen, 2002), particularly when failures should be attributed. These differences in buyer versus seller viewpoints may also play a contributing role in sales organizations' misunderstanding of relational processes, resulting in lost sales opportunities, dissatisfied buyers, and lower profitability (Tuli et al., 2007).

To bridge these gaps in our understanding of lost sales opportunities, this naturalistic study focuses on buyer's assessments of key account sales failures. Depth interviews were developed and analyzed to better understand reasons why a buying organization decided to not select a selling firm's key account sales proposal — providing a comprehensive examination of decision makers' attributions of sales failure. To inform this collection, sound empirical research often begins with proposing research questions that address identified research gaps. Based on the conditions of phenomenon importance and lack of viable theory and/or empirical evidence, Eisenhardt and Graebner (2007) suggest developing phenomenon-driven research questions as a framework. Specific to a naturalistic methodology, our research questions were developed to address identified research gaps and seek explanations to the sales failure phenomenon, as opposed to incidence-based questions.

RQ1. *What are the themes and sub-themes of sales opportunity failures and how are they conceptualized?*

RQ2. *How is the sales opportunity failure phenomenon conceptualized via a substantive theoretical process within a key account context?*

The importance of understanding sales opportunity failures, the paucity of current research collected from the decision-maker's perspective, and post-mortem key account naturalistic data provide the basis for a research project of importance to marketing strategy, business-to-business relationships, and personal selling and sales management actions.

2. Literature review

2.1. Key accounts and key account management

Sales organizations define key accounts as their most important buyers who receive the most dedicated services and resources (Guenzi, Pardo, & Georges, 2007; Workman, Homburg, & Jensen, 2003). Key accounts are critical to understand from a failure perspective because firms can rarely afford to lose even a few of these large, strategic customers (Blocker, Flint, Myers, & Slater, 2011). Further, the key account buying context lends itself well to this inquiry because this context provides the opportunity to examine the multi-faceted dimensions of a (failed) complex sales situation that is characterized by fierce opposition from rivals, protracted sales cycles, customized solutions, and the involvement of multiple organizational members in both buying and selling organizations (Hutt & Walker, 2006, p. 466).

Given the importance of key accounts, organizations are devoting dedicated personnel and special activities to their most important customers, or key account management (Homburg, Workman, & Jensen, 2000). Within key account management, salespeople are responsible for both securing and keeping their most important customers (Jones, Richards, Halstead, & Fu, 2009). Failure, however, can occur when either of these responsibilities are not achieved. To avoid such failures, organizations look to invest and implement dedicated strategies, selectively applying these strategies to key accounts because of the unique opportunity these large customers provide to counterbalance the associated risks and costs of developing and implementing customized efforts (Day, 2000; Guenzi et al., 2007). Despite such efforts, key account management strategies fail. To understand sales proposal rejections and relationship ending outcomes further within a key account context, research that moves beyond buyer intentions and captures actual rejection decisions is necessary (Tähtinen & Halinen, 2002).

Classifications applied to key account management generally organize research at either the organizational or personal level (Jones et al., 2009). Organizational level characteristics include the appropriateness of key account programs (e.g., Sengupta, Krapfel, & Pusateri, 1997) and how selling companies should organize to support these programs (e.g., Workman et al., 2003). Personal level characteristics broadly include relationship building skills, intrapersonal skills, and innovativeness (Sengupta, Krapfel, & Pusateri, 2000; Wotruba & Castleberry, 1993). While the broad organizational and personal level classifications developed within the key account performance literature provide a framework for studying key account failures that align well with classifications identified in the sales failure literature, the specific characteristics of sales failures identified in this study should drastically differ from the extant literature. These potential differences may be a result of the depth provided by the post-mortem interviews, the potential uniqueness of the failure outcome, and the fact that many of the characteristics identified in the literature are not directly observable from the buyer's perspective.

2.2. Sales opportunity failures

Personal selling is the process by which a salesperson attempts to influence a buyer to purchase his or her product or service (Weitz, 1981). Salesperson performance involves a purchase, while sales failure is related to salesperson bidding for a sale that s/he did not get (Johnston, Hair, Boles, & Kurtz, 1989; Mayo & Mallin, 2010). Beyond personal selling and the salesperson's specific relationship with the buying organization's key contact employee(s), Bendapudi and Leone (2002) indicate that business-to-business interactions also rely on the relationship between organizations. While research has shown that relationships with the salesperson can be stronger than relationships with the supplying firm (Czepiel, 1990; Gwinner, Gremler, & Bitner, 1998), it is also recognized that these entities provide different forms of utility (Palmatier, Scheer, Houston, Evans, & Gopalakrishna, 2007).

The current research builds on Wathne et al.'s (2001) response to Keaveney's (1995) call for a theory of buyer rejection decisions from the buyer's perspective. A remaining question facing sales organizations concerns how the responsibility for failure is attributed. Based on a review of the sales failure literature, three categories tend to impact failure outcomes and broadly follow the framework specified by Dubinsky (1999): (1) salesperson characteristics, (2) sales organization and job characteristics, and (3) sales environment characteristics. While our data collection design allows for a deeper understanding of organizational and individual contributors to sales failure at the major sales opportunity level, much of extant research on sales failure is focused on factors related to personal selling, which drive the failure outcome at the salesperson level. This tendency to focus on salesperson level factors presents some limits to beginning this study with a strong grounding in related literature, as suggested by Eisenhardt and Graebner (2007) when contributing to theory development as a research strategy.

Table 1 provides an organized review of these characteristics, providing a foundation for the exploratory research approach. Reviewing the sales literature indicates that sales failure constructs have largely been borrowed from the sales performance literature. This could be further problematic if the assumption that each variable simply has an inverse effect when referring to failed sales outcomes is incorrect. It has yet to be determined how these particular multi-attribute constructs are developed within the context of sales opportunity failures and more is needed at this time to illustrate the complexities associated with sales failures.

3. Research method: why are you really losing sales opportunities

3.1. Data collection

The qualitative data set is comprised of post-mortem interviews conducted with organizational decision makers regarding a multi-million dollar sales proposal. Each respondent was asked about a specific sales proposal that he or she did not select from a specified sales organization (i.e., sales proposal failures). The aim of this exploratory research is in line with the goal of naturalistic inquiry, including the exploration of emergent themes (Belk, Sherry, & Wallendorf, 1988), therefore enabling an inductive comparison of buyer's attributions of sales failures across multiple informants and buying organizations. Naturalistic methods are most appropriate in the phenomenon-driven approach to understanding sales failures because, at this time, there are too many variables to assess using standard survey or experimental designs (Yin, 1981). Additionally, the research questions are at the stage of theory-building rather than theory-testing (Eisenhardt & Graebner, 2007).

Table 1
Characteristics impacting sales opportunity failures.

	Relationship	Source(s)
Personal Characteristics		
Ability to get along with buyer	Negative	Johnston et al. (1989)
customer-orientation	Negative	Johnston et al. (1989)
Effort	Negative	Jolson (1999)
Enthusiasm	Negative	Johnston et al. (1989); Morris et al. (1994)
Experience	Negative	Morris et al. (1994)
Initiative	Negative	Johnston et al. (1989)
Listening skills	Negative	Jolson (1999); Roman, Ruiz, and Munuera (2005)
People skills	Negative	Morris et al. (1994)
Persistence	Negative	Morris et al. (1994)
Planning and organization	Negative	Johnston et al. (1989); Morris et al. (1994)
Presentation planning ability	Negative	Jolson (1999)
Product knowledge	Negative	Johnston et al. (1989); Morris et al. (1994)
Sales-orientation	Positive	Dwyer et al. (2000)
Organizational characteristics		
Budgetary support	Negative	Roberts, Lapidus, and Chonko (1994); Jolson (1999)
Company objectives	Negative	Jolson (1999)
Company reputation/image	Negative	Jolson (1999)
Financial support	Negative	Jolson (1999)
Managerial adaptations	Negative	Jolson (1999)
Time availability	Negative	Roberts et al. (1994)
Environmental characteristics		
Competitive Intensity	Positive	Jolson (1999), Dubinsky (1999); Morris et al. (1994)
Cultural changes	Positive	Dubinsky (1999)
Customer loyalty	Negative	Morris et al. (1994)
Economic conditions	Negative	Jolson (1999); Morris et al. (1994)
Ethical climate	Negative	Dubinsky (1999)
Natural resources	Negative	Dubinsky (1999)
Political issues	Positive	Dubinsky (1999)
Regulatory forces	Positive	Dubinsky (1999)
Social trends	Positive	Dubinsky (1999)
Technological innovation	Positive	Dubinsky (1999)

Semi-structured depth interviews were conducted with 58 different decision makers from 35 separate key account organizations. As a research strategy, personal interviews allow for an examination of complex phenomena, such as sales failures, providing the ability to carefully examine all of the potential factors. Our goals were to develop a better understanding of the beliefs and perceptions of key account decision makers (e.g., Frankwick, Ward, Hutt, & Reingen, 1994; Kohli & Jaworski, 1990) and discover themes and processes within this under-researched marketing phenomena (e.g., Price, Arnould, & Curasi, 2000). The goals of the interviews are consistent with the focus of this research — to identify and conceptualize the drivers (themes and sub-themes) of unsuccessful key account sales proposals.

To ensure quality control, each interview followed a standardized, semi-structured interview guide designed to uncover key elements of the buying decision process and attributions of decision makers. The interview guide was designed to develop an understanding of why past strategic sales opportunities failed. Questions were divided into six broad categories: (1) Sales Team Effectiveness — interaction with decision makers; (2) Needs and Expectations — prospect's requirements, seller's identification of prospect's needs, and seller's perceived capabilities; (3) Value Proposition — solution, fee, and ROI; (4) Communication Tools — proposal and presentation; (5) Competitive Analysis — how the seller compares; and (6) Strategic Planning — opportunities and goal setting. Each interview was individuated by the questions, comments, and follow-up probes appropriate for the situation and individual being interviewed in order to: (1) better understand decision-maker's feelings and experiences with the specific sales proposal, (2) focus on areas of interest related to reasons the sales organization failed, and/or (3) attempt to identify who informants perceived as responsible for the sales effort's shortcomings.

All interviews were conducted via telephone. On average, interviews were conducted within two months of the decision to reject the specified sales proposal. All interviews were audio recorded and transcribed verbatim. Our interviews averaged between 30 and 60 min, and some were approximately 90 min in length. The data collection process resulted in 416 pages of double-spaced transcripts.

3.2. Sample

Two U.S. Fortune 250 industrial service organizations are the focal sales organizations for this study. These firms had combined sales of over $60 billion in 2012. Both companies provided an ongoing list of organizations with which they recently experienced a failed key account sales proposal, along with the key decision maker(s) within these buying organizations. A frequent challenge in developing phenomena from interview cases comes from the observations selected. Specifically, how can a theory be generalizable if cases are not representative? It is important to remember that the research purpose is to develop theoretical aspects of sales failure, not to test those theories. Theoretical sampling is thus appropriate and interview cases were sampled based on the likelihood they offer theoretical insights and were of a sufficient size to merit inclusion in a study of key account sales (Eisenhardt & Graebner, 2007).

All respondents were individuals who played a central role in the specific purchase decision being examined. Based on an extensive dataset, 35 post-mortem cases of U.S. industrial buying organizations were

Table 2
Failed sales opportunity case statistics.

Case characteristics	Industrial services case frequency (n = 27)	Shipping & logistics case frequency (n = 8)
Sales opportunity range		
$5.1 million–$10 million	6	1
$10.1 million–$15 million	5	3
Over $15 million	16	4
Respondents per case		
1 respondent	11	3
2 respondents	13	5
3 respondents	3	0
Buyer industry classification		
Education & universities	9	1
Medical — Healthcare & hospitals	8	0
Consumer products	0	4
Financial services	1	2
Municipal	2	0
Manufacturing — Automotive	1	1
Commercial	2	0
Shipping & logistics	1	0
Oil, gas & petroleum	1	0
Hospitality	1	0
Food & beverage	1	0

purposively selected as informants for this research based on the criteria of sales proposal size. Only proposals in excess of $5 million dollars were included in the study. The addition of new cases was stopped after theoretical saturation was reached (Strauss & Corbin, 1998).

Each case represents a failed sales opportunity between a single sales organization and single buying organization. In order to capture a broad spectrum of sales failure drivers, the cases were not restricted based on specific relational characteristics of the sales opportunity. For example, data included both new entrant sales opportunity failures and incumbent sales opportunity failures. In both cases, the buyer did select another sales organization to supply the service, thus the sale was not lost as a result of a discontinued budget or service requirement. Table 2 provides a summary of sample characteristics, while Appendix A provides further details of each failed sales opportunity.

3.3. Analysis

The central notion of using specific sales opportunities to develop theory or phenomena inductively is based on the idea that theory is emergent and developed by recognizing patterns of relationships among constructs within and across specific cases and their underlying arguments (Eisenhardt & Graebner, 2007). In order to do this, the two-level procedure of interpretation utilized by Fournier (1998) was adopted for this analysis. This two-level approach included: (1) impressionistic reading of transcripts and identification of recurrent themes, and (2) across-sales opportunity analysis to discover patterns that could help structure an understanding of the phenomenon and the construction of a conceptual framework.

Trustworthiness, the qualitative equivalent of reliability, was assessed by utilizing a number of well-established techniques outlined by Lincoln and Guba (1985). Dependability was demonstrated, in part, through the use of qualitative data analysis software to store, organize, and analyze interview transcripts. As individual cases were added to the data, transcripts were coded and examined iteratively based on themes that emerged from the interview data. Using QSR NUD*IST (N6), themes were modified as our understanding matured and the investigation progressed. Trustworthiness was further demonstrated using adapted methods of refutability, constant comparison, comprehensive data treatment, and deviant-case analysis (Lincoln & Guba, 1985; Malshe & Sohi, 2009) (see Table 3). This approach resulted in a coding scheme designed to capture key themes, as well as a conceptual framework developed to better understand failed sales proposals.

4. Qualitative findings

Findings from the naturalistic inquiry represent a foundational look at the buyer's post-mortem perspective regarding why key account sales proposals fail. Data suggest a preliminary framework outlining the buyer's decision process during failed sales proposals. The breadth of reasoning, perceptions of causality, and emotions of the buyer's voice captured through the depth interviews characterize the determinants of lost sales opportunities. Quotes provided in the findings are representative comments from buying decision makers illustrating the conceptual framework that emerged from our data.

The concept of value offers a theoretical framework to categorize buyer responses. Buyer-perceived value is the interrelated function of benefits offered versus proposed sacrifices (Menon, Homburg, & Beutin, 2005; Ulaga, 2003; Ulaga & Chacour, 2001). While the buyer's specific needs and wants vary between organizations, not providing desired benefits relative to perceived costs is consistently related to decisions to go with a competing sales proposal. Within the conceptual sales failure model, themes and item-level sub-themes demonstrate the multi-dimensional nature of how these factors contributed to sales failures in our 35 key account cases.

Two broad categorizations of the themes and sub-themes related to unmet perceived benefits within the sales failure cases are "Non-Adaptive Sales Proposal" and "Non-Relational Sales Proposal," while the categorization of themes and sub-themes associated with the sacrifice element of the value function is "Excessive Cost Considerations." Each of the three categorizations is comprised of three representative themes, which are each further depicted by two to three sub-themes. Based on detailed information provided by buying decision makers in this business-to-business environment, Fig. 1 was derived to represent the conceptual framework for failed sales proposals. This representation

Table 3
Establishing trustworthiness in qualitative analysis.

Procedure	Definition	Approach
Refutability	Researchers seek to refute the assumed relationship among phenomena.	Collected data from a diverse sample of industries and decision making levels, as well as across two sales organizations. Checked if findings emerging from a specified context could be refuted in another context. Emergent findings were consistent across multiple industries, decision making levels, and sales contexts.
Constant comparison	Implies a qualitative researcher should group answers to common questions and analyze different perspectives on the central issues, as well as try and find additional cases to validate emergent findings.	Following the completion of the analysis and grouping of answers, eight new cases were assessed which met the criteria of the purposive sample. Findings were compared to a random subset of five cases not included in the analysis and no new findings emerged.
Comprehensive data treatment	Researchers examine the data thoroughly and comprehensively prior to drawing conclusions.	All interviews were transcribed and used QSR NUD*IST (N6) to manage data, allowing researchers to inspect all data thoroughly.
Deviant-case analysis	Requires researchers examine all cases where the findings are substantially different (i.e., outliers) and determine the underlying reasons.	No cases identified that could be termed as deviant.

is in line with Eisenhardt and Graebner's (2007) suggestion to provide a visual summary, such as a "boxes and arrows" diagram, as a means of showing the resultant substantive theory.

4.1. Non-adaptive sales proposal

A "Non-Adaptive Sales Proposal" is conceptualized within the interviews as the perceived lack of willingness or ability to understand and/or deliver essential elements of the prospect's needs. This deficiency represents the sales organization's failure to present a customized solution or to present a proposal tailored to the prospect's expectations and objectives. Buyers develop a generalized perception of the seller as unresponsive and maintaining a selling orientation, which contributes to a perceived lack of sales organization flexibility. Three primary themes related to adaptive sales proposals, each with multiple sub-themes, emerged from the interview transcripts. These themes of non-adaptive sales proposals include a: (1) Lack of understanding of buyer requirements, (2) lack of adaptive capabilities, and (3) lack of an adaptive attitude.

4.1.1. A lack of understanding of buyer requirements

When describing conditions that lead to a sales organization's proposal not being selected, buyers are vocal in terms of the seller not understanding their firm's most important needs. The following informant explains that the perceived lack of understanding is a function of not investing the time to develop a deeper level of knowledge of buyer needs and a lack of desire to use this understanding to educate the buyer:

> I would say that (seller) did not show a thorough understanding of our most critical needs. First, they never invested much time to find our most critical issues … They displayed no desire to learn about the hospital and never showed any interest to be involved, to educate us, or to provide new suggestions.
>
> [Chief Operating Officer — Case 23.]

Within the seller's lack of understanding, another common reference is when the seller does not fully listen to requests made by the buyer. This lack of active listening occurs within spoken communications (e.g., not responding to discussion points), as well as within written communications (e.g., not responding to points specified in the RFP). For example, the following quote illustrates how ineffective listening within a written context leads to a lack of understanding, resulting in the sales organization being less able to adapt to buyer needs:

> There were a few key points that (seller) missed that were quite telling and lacking in the presentation. We didn't feel that they were responding to the needs as stated in the RFP as we would have liked … I don't know if it was a corporate document and they just turned happy to glad and Detroit to St. Louis or whatever the case may be. It just didn't seem to be tailored to meet the needs that were requested in the RFP.
>
> [Executive Director, Business Operations — Case 1.]

From the buyer's perspective, when the seller does not understand or listen to their specific needs, the sales proposal is perceived as lacking adaptive benefits.

4.1.2. A lack of adaptive capabilities

Another component of a non-adaptive sales proposal centers on the seller's lack of adaptive capabilities. Capabilities refer to both abilities and using those abilities to address buyer preferences. In referring to a lack of seller abilities, buyers refer to the salesperson not tailoring

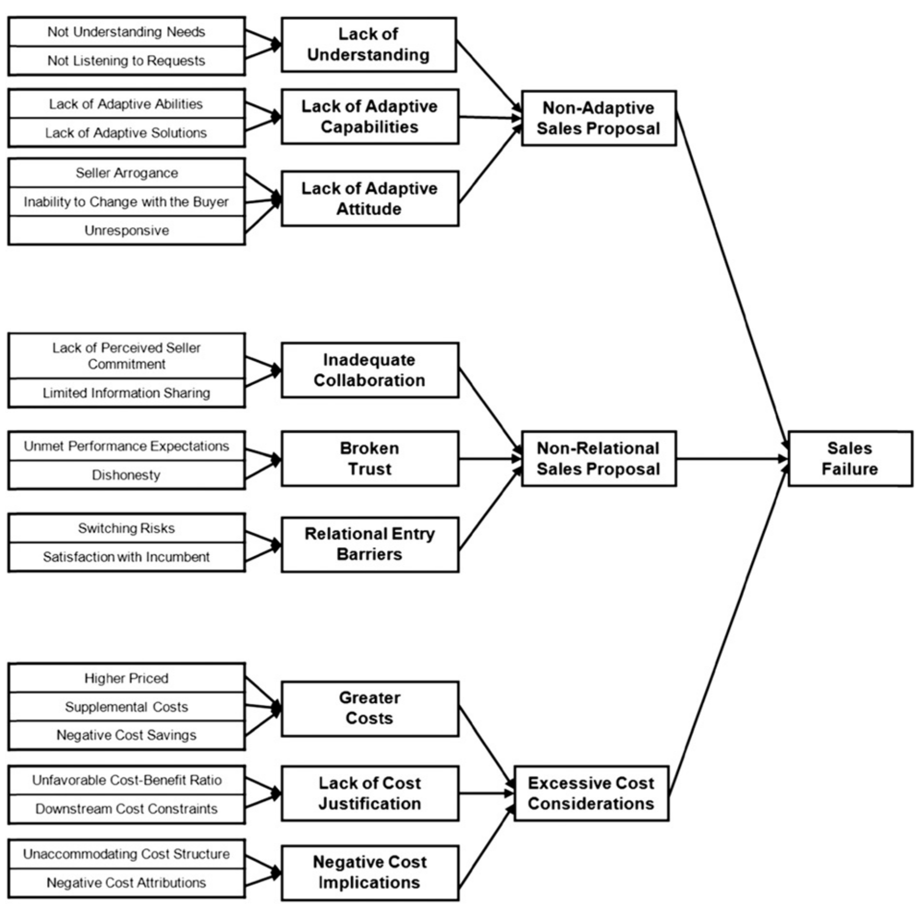

Fig. 1. Conceptual sales failure model.

their message to specific buyer requirements. The vignette below focuses on the attributions of a failed sales proposal due to the salesperson's non-adaptive presentation.

> But this meeting can be best characterized as (seller)-focused, non-enthusiastic, almost top-down. The students commented that they were treated with arrogance, that the presentation was so canned and focused on (seller) instead on (buyer) and that the company just did not peak interest with them.
>
> [Business Manager — Case 18.]

Also with regard to non-adaptive capabilities, respondents indicate that sellers in some cases appear unable to tailor their solutions to specified buyer needs. Thus, while the seller may listen to and understand the buyer's needs, they are not creating solutions to actually match these needs.

> If (seller) would have been more responsive, more flexible, more creative in their solutions, it would have made a huge difference. Let me give you a stupid example. In order to improve the quality of retrieving the test sheets and materials to improve scoring time, we identified a business need of having them picked up on Saturday for Monday delivery. The (seller) account person was adamant that this could not be done.
>
> [Executive Director, Products & Logistics — Case 35.]

As these sub-themes indicate, responses regarding a lack of adaptive capabilities center on a seller being unable to adapt their standard way of doing business and presenting solutions based on the prospect's needs.

4.1.3. Lack of adaptive attitude

The final theme of this section, lack of adaptive attitude, involves some specific sub-themes. One of these involves situations where a seller is perceived as arrogant. Within the arrogant attitude sub-theme, respondents indicate that the seller's approach is more aligned with telling potential buyers what needs to be done, as opposed to listening to their needs and subsequently adapting their proposal. The arrogance sub-theme is synonymous with an aggressive sales orientation, in which the seller assumes they have a better understanding of a buyer's needs than does the buyer. These characteristics are viewed negatively and are thematic within the failed sales opportunity cases.

> But their response was, no that's not your business need. He just arrogantly told us, we can't meet your need, so you must have a different need.
>
> [Executive Director, Products & Logistics — Case 35.]

As another sub-theme of adaptive attitudes, buyers were continually evaluating the seller to determine how adaptable they were likely to be as future business partners. The outcome of this determination greatly influences the buyers' decisions to reject sales proposals. Buyers' perception of the lack of an adaptive attitude develops particularly when sellers focus too heavily on past solutions. Buyers voice frustration over solutions that are non-responsive to their current needs. Buyers search for indications that as a relationship progresses, the seller will be willing and able to adapt to their future needs. This signal may be particularly important among key accounts, where buyers expect more customization and greater strategic understanding.

> (Seller) tried to really work with what they already do instead of modifying it to meet our needs.
>
> [Respondent — Case 27.]

An additional sub-theme within the lack of adaptive attitude category occurs when the salesperson and/or selling firm appear to be unresponsive to buyer concerns. Unresponsiveness is negatively described as an attitudinal characteristic because the seller is not proactive in meeting buyer needs, as well as unresponsive to expressed needs when they arise. Since our data suggest buyers look for evidence of future adaptability, sellers should work to develop the perception of a future adaptive-orientation to improve the buyer's perception of the seller being easy to work with in the future. Together, the issues of arrogance, not changing with the prospect, and unresponsiveness communicate to buyers that the seller and/or selling organization are unwilling to be adaptive to buyer concerns.

4.2. Non-relational sales proposal

The second theme concerning the lack of buyer-perceived benefits to emerge involves the salesperson/sales organization not demonstrating or communicating a sufficient degree of relational benefits for the buyer. This can cause a buyer to perceive a lack of future relationship-potential in a seller. Further, insufficient hard and soft investments, a lack of a displayed interest in the prospect, and inadequate knowledge sharing each lower buyer perceptions of a seller's relational-orientation. A generalized perception of risk and dissatisfaction contributes to a perceived lack of collaborative relationship benefits. The specific emergent themes of a non-relational sales proposal include: (1) Inadequate collaboration, (2) broken trust, and (3) relational entry barriers.

4.2.1. Inadequate collaboration

A theme expressing a lack of relational benefits involves inadequate collaboration on the part of the seller. Lack of collaboration involves the failure to communicate effectively that a firm is trying to build a relationship, develop trust, and/or meet expressed buyer needs with their proposal. The following respondent expresses her/his firm's information expectations, as well as their need for a belief in the selling firm's commitment to the relationship:

> (Seller) made a good presentation. It was financially the strongest, but they didn't strike the same chord of values and partnership. Those kinds of things are the difference between a satisfactory business relationship and having a superb partnership.
>
> [Associate Vice President, Financial Affairs — Case 14.]

Buyers also expressed concern over the lack of adequate collaboration when they felt the seller did not fully share information. This lack of information is not necessarily a result of the seller being overly assumptive about what information the buyer needs and does not need, but rather is a missed opportunity to fully collaborate and develop a strong working relationship by openly sharing knowledge they have gained within their industry. The following respondent expresses missed information expectations within a sales failure case:

> We expect our vendors to be working with us in a partnership and letting us know what is out there in the market. What things might work or what might not work … Why aren't they coming to me, telling me that this is what the industry is going toward?
>
> [Vice President, Real Estate — Case 12.]

4.2.2. Broken trust

A second issue in the area of relationships leading to sales failure involves broken trust and the firm's inability to meet buyer expectations in existing relationships. If the buyer does not trust the firm to meet their needs, the proposal will fall on deaf ears. Given the size of sales this study examines, without trust, it is unlikely that a sale will be made. Thus, a lack of trust is a critical issue aligned with key account sales failures.

> If I can point to a single issue that stood out most, I would say it was the relationship and the trust that they are going to be a good partner on our side that was missing.
>
> [Senior Manager, Warranty Services — Case 32.]

When a buyer and seller have an existing relationship (i.e., incumbent), the respondent often reflects on previous interactions which characterize satisfaction or dissatisfaction within the buyer–seller relationship. Through these existing interactions, buyers reflect on how dissatisfaction develops through unmet performance expectations and through the seller's inability to provide evidence that they will be a good partner in the future. The following represents a relationship with the focal sales organization in which the seller failed to live up to established promises.

> I think (seller's) performance influenced our decision by at least half. We had seen the trend of the last few years of how the program had been running. We wouldn't have been in this position if we thought things were effective to begin with. We wouldn't have gone out to bid if we would have felt completely comfortable with how things had been running with (seller).
>
> [Food Service Liaison — Case 12.]

Additionally, the perceived lack of honesty in communication with the buying firm can impact trust in a buyer–seller relationship.

> I heard through newspaper articles, university publications regarding that operation, that the things that were promised as part of the original contract weren't delivered on … Also, because of the lack of response in the past, (seller) had no credibility. We had no reason to believe that they would execute the plan they proposed.
>
> [Associate Vice President, Financial Affairs — Case 14.]

Together these components focus on negative constructs present within existing buyer–seller relationships and imply that buyers reflect on these historical events as an indicator of a lack of future relationship potential.

4.2.3. Relational entry barriers

When the buyer and seller do not have an existing exchange relationship (i.e., non-incumbent), one source of failure outcomes is the buyer's satisfaction with the incumbent. In these contexts a satisfactory relationship can present a formidable entry barrier. A common sub-theme includes risks associated with switching. Failed proposals are unable to provide sufficient benefits to surmount risks associated with ending an existing relationship. The following respondent specifically attributes the failed sales proposal to an inability to overcome the buyer's aversion to change:

> I think the fact that we didn't have a relationship with (seller) and no previous history. That would have positioned them better up to the decision. In an organization that doesn't like change and is very conservative, the fact that (seller) was a new vendor to the bank created stress in the bank.
>
> [Vice President, Dining & Hospitality Services — Case 26.]

If there is a satisfactory incumbent relationship, then it requires a much higher level of perceived benefits for a new supplier to supplant the incumbent. On top of the buyer's aversion to change, the proposal is an uphill battle if the buyer has an on-going satisfactory relationship with a competitor who is meeting or exceeding expectations:

> Beyond that, we've been doing business with (competitor) for years and we're not that eager to change. We are pretty satisfied with them.
>
> [Product Development & Office Manager — Case 28.]

While risks associated with switching suppliers and the satisfaction with incumbent providers certainly overlap, respondents describe these two sub-themes distinctly. Satisfaction with the incumbent can act as a large contributor to a competing firm losing the sale and can even prevent the contract from going out to bid.

4.3. Excessive cost considerations

Value is determined not only by perceived benefits, but also by perceived sacrifices a buying organization might incur. “Excessive Cost Considerations” is conceptualized as a perceived disproportionate total cost of ownership (TCO). In this situation, overall levels of a buyer's cost are not sufficient relative to communicated benefits. The trade-off between benefits and sacrifices is represented in many forms, ranging from the sales organization's failure to demonstrate the value of greater costs to buyers who make their decision solely on price. Three themes identified within this category included: (1) Greater costs, (2) lack of cost justification, and (3) negative cost implications.

4.3.1. Greater costs

The cost component represents financial sacrifices which will be incurred in order to receive the proposed solutions. The most common element of the cost component is price. Buyers commonly discuss the direct impact of price and cost components in the ultimate decision not to select the referenced sales proposal:

> We were charged to find the lowest cost for the highest quality provider. All companies were all quality. We checked their references. Therefore it boiled down to price. We awarded to the lowest price bidder.
>
> [Assistant Director — Case 25.]

While price is the most frequently portrayed component of buyer sacrifices, a number of additional cost components are relevant. When these costs are excessive, they become a factor in the decision to reject a proposal. The supplemental cost elements include switching costs, opportunity costs, and operating costs:

> (Seller's) overall proposal was not strong enough for us to justify a transition. This is keeping all the hard and soft costs in mind.
>
> [Director, Procurement — Case 29.]

The final component of the cost theme is the calculated savings from the proposal. In some instances, buying decision makers discuss the inability of failed proposals to provide cost savings. Within this sub-theme, buyers were vocal about minimum requirements for the organization to break-even on implementation of the proposed solution. The following buyer describes the outcomes of a non-self-sustaining proposal:

> Given that all the other competitors' financial proposals were close and allowed (buyer) to reach break-even, (seller's) proposal stood out as being unacceptably high. This project was supposed to be self-sustaining.
>
> [Director, Building Services — Case 12.]

The greater cost theme is representative of a higher proposed price, higher supplemental costs, and/or lack of buyer savings. The proposal's relatively high cost or lack of demonstrated cost savings shapes buyer perceptions of excessive TCO sacrifices.

4.3.2. Lack of cost justification

Another sub-theme is the organization's inability to justify proposed costs. A number of issues within cost justification are discussed, including an unfavorable cost-benefit trade-off. Costs associated with the service proposal need to be justified in terms of benefits. Decision makers reiterate this point, specifically noting that while pricing is important, prices needed to be accompanied by an appropriate balance of benefits provided:

> We did not value all the components a hospital that derives a benefit from being on the cutting edge would. Not saying we are not striving for excellence here, but we don't need to be a case study or a picture book example at all cost. The value is key. How can we accomplish the most within a certain budget?
>
> [Assistant Administrator — Case 9.]

Table 4
Factors that impact perceived non-adaptive sales proposals.

Non-adaptive sales proposals		
Lack of understanding	Not understanding needs	I certainly did not think they understood what we wanted. Then that led me to lose my confidence with (seller) about the future. (Director, Building Services — Case 12)
	Not listening to requests	I think they didn't really hear us. I concluded this based on how they kept pitching facilities, never asked a lot of questions for more information. They also did not hit on most of the points we outlined. The proposal was very canned. (Business Manager — Case 18)
Lack of adaptive capabilities	Lack of adaptive abilities	They failed to answer the question. Instead they showed me a marketing brochure listing case studies of other hospitals using the proposed solution. I knew some of the facilities mentioned and know that these facilities not only have a significant difference in size, but also some of them did not use (seller) anymore. It was kind of funny to be pitched with a solution that is designed for a larger size hospital that is not using the solution anymore. (Vice President, Support Services — Case 23)
	Lack of adaptive solutions	I feel that because of their position in the industry they have not had to be flexible. I think the world is changing and you need to kind of change with it. Otherwise they'll be in some trouble because there are viable competitors. This may not have been true 10 years ago but it is now. They really haven't woken up to this. (Director, Strategic Outsourcing — Case 33)
Lack of adaptive attitude	Seller arrogance	"At what point," I said to Tony, "did (seller) stop thinking of us as a customer?" We'd say this is how we have to do it and they would say no, this is not how you have to do it. For example, in the RFP let's say I specified that I wanted to use "(seller service)" for a certain part of my business. They would come back and say "(seller service) doesn't work for you." And we would return to them and say, well, we have the data that says (seller service) would work for this part of the business and they would just ignore that and hold that (seller service) would not work. (Consultant — Case 35)
	Inability to change with the buyer	Our business is changing rapidly — just as it is growing rapidly. So we need solution management — solutions that can change as we do. (Seller) only offered us one non-competitive solution which indicated they were not interested in adapting to our needs. (Vice President, Logistics — Case 31)
	Un-responsiveness	It was more of an issue with our Account Manager. He was not as skilled at the time as he is now. We had issues with him returning phone calls and addressing changes. Overall, he was very unresponsive. (Director, Procurement — Case 29)

Another component identified within cost justification is the seller's inability to demonstrate a downstream competitive advantage based on the proposed cost structure. Buyers who discuss this imposed constraint elaborate on the inability to provide a strategic competitive advantage, improve financial returns, and provide end-user value.

> To attract the business of our associates we need to present them with a competitively priced product and I don't think we felt that (seller's) offering would give us the results that we would need.
> [Manager, Procurement — Case 13.]

The lack of cost justification sub-theme indicates that failure can be a consequence of not only the proposed pricing structure, but also the justification of the given costs. Unsuccessful sales opportunities often fail to recognize this interconnection between proposed benefits and associated sacrifices.

4.3.3. Negative cost implications

The final theme associated with excessive cost considerations involves negative implications based on the cost proposal. Through the proposed cost structure, buyers' infer implications about the seller based on misaligned cost elements. The implied associations based on proposed costs offer insight into how the buying decision makers interpret the seller's intentions.

Not being flexible in the cost structure contributes to a proposal's negative cost implications. Unaccommodating pricing appears to add to the buyer's perceived sacrifices and portrays an image of being inflexible and potentially over-valuing the proposed sale. As illustrated, a sales organization's inability to be flexible on cost contributes to negative implications.

> Well, (seller's) pricing did not accommodate the type of shipment we ship frequently. We usually ship ground. Since we predominately ship boots we usually exceed the dimensional measure of (seller's) lowest price. (Seller) has surcharges for anything over three cubic feet. Our shipments are larger than that and that would almost double the price. (Competitor) is more generous about the dimensional allowance without the surcharge and was therefore able to beat (seller's) pricing.
> [Product Development & Office Manager — Case 28.]

Table 5
Factors that impact perceived non-relational sales proposals.

Non-relational sales proposals		
Inadequate collaboration	Lack of perceived seller commitment	Hardly any relationship building or attempts to understand our hospital's specific needs were in the mix. I may be wrong, but I think that our hospital was a rather small customer amongst all of their accounts … This made us feel like second grade customers. (Chief Operating Officer — Case 23)
	Limited information sharing	We all wanted to see what issues of concern might have been brought to their attention in the facilities they were working in. That was a little bit hesitant in being brought to the table. We had to ask for that again. (Assistant Deputy Superintendent — Case 5)
Broken trust	Unmet performance expectations	I guess, unfortunately for (seller), there was at least one facility with some current issues going on that were negative and that reduced the scores in that area somewhat. In these areas we looked at past performance as well as what our impressions were from the proposals and the presentations as what we would get going forward. (Global Commodity Manager — Case 4)
	Dishonesty	I find that at times they were very deceitful. They tell you one thing and then they do another. (Assistant Deputy Superintendent — Case 5)
Relational entry barriers	Switching risks	All things being equal, two proposals that both focus on service and the costs are fairly consistent, it comes down to risk of delivery. Because of the track record we have had through this process with the on-site team I could not get past the risk of delivery. (Vice President, Supply Chain — Case 3)
	Satisfaction with incumbent	Again, the relationship with our current provider was very strong and we just did not quite gain the confidence. (Senior Manager, Warranty Services — Case 32)

Table 6
Factors that impact perceived excessive cost considerations.

Excessive Cost Considerations		
Greater costs	Higher priced	(Seller) was off in pricing against the competitors … It would be fair to say between 200% and 250%. We did alert them of that fact because (buyer) has a very good working relationship with them from the (previous project) … The next proposal (seller) submitted was drastically lower, but still a little higher than the competitors by about 15%. (Director, Supply Chain Services — Case 22)
	Higher supplemental costs	(Seller's) management fee was better by a small percentage but the upfront investment and money for operating costs were not in the ballpark. (Director, Building Services — Case 12)
	Negative cost savings	Our objective was to breakeven. That was not achieved. Instead there was a loss of about 1.3 to 1.4 million dollars. (Director, Employee Services — Case 13)
Lack of cost justification	Unfavorable cost-benefit ratio	We are always looking for cost savings so cost is very big, but we are not going to accept the bid from a company from who we think there may have backorder concerns or quality concerns. (Manager, Procurement — Case 11)
	Downstream costs constraints	(Seller's) split shipment ratio is (higher %) and (competitor's) split shipment ratio is (lower %) — and this is something you don't know until you do business with them. But this is a huge cost advantage for our customers — it would mean more customers getting complete shipments and therefore higher satisfaction. (Vice President, Logistics — Case 31)
Negative cost implications	Un-accommodating cost structure	They have a great program. It just had too many features. Maybe if we had a choice to do an a la carte program, we could have opted to skip on some things and hopefully the price would have come down. (Assistant Administrator — Case 9)
	Negative cost attributions	And when it came to cost, I almost fell off my chair. They were completely out of line — not single percentage points, we're talking double digits. They were 30% more than the other carriers — not even in the ballpark. Maybe they underestimated how badly the other carriers wanted the business, but when I told them how high their prices were, they didn't come back with much lower prices. Their attitude seemed to be "We're high-priced and that's that" (Consultant — Case 35).

Negative attributions can further spill-over into perceptions of negative seller qualities. Specific buyer attributions resulting from a negatively perceived cost component include, implications regarding the firm's lack of desire to earn the business and/or an inefficient corporate structure.

> Why they missed the boat on their pricing is beyond me, other than they wanted to make more profit … I understand that they also have to make a decision based upon shareholders. They have to prove that 'I'm not coming in at a non-profitable price point.' All I know is that the competition came in at a considerably lower price. Maybe they have too much corporate structure. Maybe they should shave off some management.
>
> [Assistant Director — Case 25.]

Negative implications associated with a proposal's cost component can have a multiplier effect on the sacrifices perceived by the buying organization. Thus, in addition to driving down the value with regard to excessive cost, buyers may also attach implications of the cost component with lower perceived benefits.

5. Discussion

This research conceptualizes the sales failure phenomenon and develops an outcome model based on an extensive naturalistic investigation with key account organizational buyers. Given the complexity and uniqueness of the identified themes and sub-themes, results support the need to assess sales failure as a separate multi-dimensional process (Gonzalez et al., 2005) and provide important theoretical contributions. Implications provide theoretical insights for practitioners and academics with regard to the understanding of sales failures and strategies for key account failure deterrence. Taking the buyer's perspective offers a rich understanding of the decision to reject sales proposals by simultaneously considering the buyer's candid expectations, available alternatives, and decision criteria. Results from this perspective address methodological concerns within the extant literature regarding the unique perspective offered from the buyer's side of the dyad, as well as the need to collect retrospective insights regarding the multi-dimensional decision process following a critical incidence (e.g., Bendapudi & Leone, 2002; Tuli et al., 2007; Wathne et al., 2001). With the goal of addressing additional limitations within the current study of sales opportunity failures, two research questions were developed and addressed.

5.1. Theoretical implications

The first research question seeks to address limitations within extant literature regarding the conceptualization of sales failure (Morris et al., 1994). The conceptual understanding of factors influencing a buyer's decision to reject a key account sales proposal is limited. This limitation is illustrated in the extant literature, which primarily studies sales failures at the salesperson level, as opposed to the opportunity level. In addition, the current literature borrows constructs largely from the performance literature — a rather uncertain assumption. Thus, what literature needs to advance this research stream is a comprehensive foundation of the drivers of sales failure.

This study utilizes post-mortem interviews across 35 key account sales opportunities to provide a broad assessment of the buyer's decision and facilitate the conceptualization of sales failures. The post-mortem assessments of the buyer's description of sales failure outcomes identify three emergent categorical drivers: non-adaptive sales proposals, non-relational sales proposals, and excessive cost considerations. Each of these multi-dimensional constructs consists of complex themes and sub-themes. Nine primary themes and 20 sub-themes are identified in our analysis (see Tables 4, 5, and 6). These emergent findings provide a rich conceptualization of the key account sales failure phenomenon at the opportunity level — capturing a combination of salesperson and sales organization factors. The identified themes and sub-themes further contribute to the broad organizational level and personal level classifications in the key account management (Jones et al., 2009) and sales failure (Dubinsky, 1999) literature by adding new dimensions and perspectives. Furthermore, the perspective captured in this study is not as vulnerable to attribution biases, which may have shaped the characteristics previously identified.

Findings also indicate that each of these concepts is composed of multiple dimensions, which adds greater depth to the concepts and a broader conceptualization than existing research examining the issue of sales failure. As an example of insights that contribute to common conceptualizations in the literature, the findings indicate adaptive seller behaviors as perceived from the buyer's point of view seem to be a different and diverse set of behaviors from those often examined in research on salesperson adaptability. From the buyer's perspective, a strong driver of sales failure is in firms that do not understand their needs and problems, do not have the ability to adapt to different sets of needs that exist among often different clients, and/or do not have an attitude that fosters adaptation to specific, perhaps even unusual, buyer requirements. While sales adaptability has often been conceptualized and studied from the seller's perspective (e.g., Spiro & Weitz, 1990), this research confirms that buying organizations have the ability to recognize when sales communications and proposals are or are not being adapted to their specific needs. While this represents just one example of the unique context offered in the findings, each theme and sub-theme can help expand the conceptualization of sales failure and provide a basis of comparison with constructs developed and researched from the seller's perspective.

Within the non-relational sales proposal dimension, study results support the view that close key account relationships are important (Homburg et al., 2000) and provide insights into three complex themes that help define this area. First, without fostering collaboration with the buying firm to make sure that their needs are fully addressed, there is a lack of trust developed in the relationship. If sellers do not take the time to find specific buyer needs, the buying firm will have little reason to trust them and the inter-firm relationship will not flourish. Second, if a firm does not perform as advertised – essentially breaking trust and being perceived as dishonest – this is highly associated with failure for relationship continuance or growth. Finally, clients that have an existing relationship with an effective supplier are difficult to win over. This is particularly true when the outside sales proposal is unable to mitigate perceived risks associated with switching suppliers. Knowing this challenge, a firm going up against an entrenched competitor may need to examine the resource trade-off between pursuing a risk reducing strategy with a key account and investing in alternative opportunities with greater probabilities of success.

5.2. Managerial implications

The second research question seeks to understand how these themes and sub-themes are organized in a theoretical framework. The value framework developed from our findings provides a foundation for organizing the themes and sub-themes into a process consisting of perceived (lack of) benefits and (excessive) sacrifices (Menon et al., 2005; Ulaga, 2003; Ulaga & Chacour, 2001). The result is a conceptual sales failure model, which serves as a failure analysis framework that details a process for organizations to absorb in order to prevent future lost sales (Gonzalez et al., 2005). Beyond the theoretical insights garnered from the discovery-oriented approach, the second research question also provides a number of managerial implications.

An encouraging practical take-away from the numerous issues that may impact failure outcomes is that many of the themes and sub-themes expressed by respondents are within the sales organization's control. This is important because salespeople frequently associate a failed sales opportunity with and external locus of causality (Dixon, Spiro, & Jamil, 2001), such as cost. Findings from the buyer's perspective provide insights for sales managers regardless of whether or not these attributions are correct or incorrect. First off, even if the purely external attributions of cost are correct, the findings provide insights regarding the potential spillover effects of such attributions from the buyer's perspective. When cost is among the reasons why a sales proposal failed, reputational effects are at play which can have a long-term impact with the buyer and their full spectrum of future purchasing considerations, as well as word-of-mouth spillover effects (see negative cost implications theme).

To further elaborate on the cost attribution, our findings also suggest that such external attributions may not be fully accurate because specific internal issues related to the seller's proposal make cost a critical issue in some sales. As detailed in the findings, even if a salesperson externalizes a failure to an issue such as cost, a variety of personal elements which are in the seller's control can be adjusted for future sales efforts (e.g., justifying the cost-benefit ratio, developing an accommodating cost structure). These personal elements provide the opportunity to assume responsibility for the outcome and make the proper adjustments moving forward. Correctly attributing the cause of sales failures allows sellers to recognize behaviors that might need to be changed, understand new behaviors that might help them reach their sales goals, and increase their motivated effort (Dixon et al., 2001). The results provide a compensatory framework for salespeople and sales managers to reference following failed sales opportunities in order to better attribute the outcome to their own efforts.

Sales organizations also need to consider that sales failure outcomes may very well be separate continua and that their salespeople may need to be trained and motivated in ways that are different from the metrics driving performance. Many current training methodologies rely on best practices and key performance indicators as a means of developing employees. While these techniques are aimed at increasing the incidence rate of success, organizations should simultaneously be concerned with decreasing the incidence of failure. As emphasized by the Total Quality Management (TQM) philosophy, improvement starts with identifying the source(s) of failure (Jolson, 1999). This emphasis is particularly relevant in cases where failure is avoidable. Findings suggest that the failure outcome can be avoided, in turn providing a source of improving sales behaviors and strategies by paying greater attention to what the buyer requires distinct from the typical customer, as well as making sure that ethical/trust issues are addressed effectively and client cost considerations are fully understood. While not all lost sales opportunities can be prevented, paying greater attention to these three general areas may deliver dividends to selling firms and enable salespeople to successfully minimize negative occurrences.

The application of failure deterrence also has implications with regard to how sales managers and salespeople are motivated and compensated. Compensation is a means of motivating behaviors; however, it also tends to focus on motivation related to determinants of success (i.e., the presence of desirable behaviors results in desirable rewards). Fear of failure can also be a strong motivator of good and bad sales behaviors (e.g., Verbeke & Bagozzi, 2000). Thus, if compensation systems also incorporate negatively conditioned responses following the incidence of the identified components of sales failures, organizations may be able to simultaneously drive increasing performance rates and decreasing failure rates, despite the potential these outcomes operate on separate continua. The findings' sub-themes provide a number of behavioral-controls that can be incorporated into compensation plans aimed at reducing the drivers of sales failure (i.e., the presence of undesirable behaviors results in undesirable penalties).

6. Limitations and future research

While qualitative data are the best fit for exploratory research questions, the data can also be seen as a limitation based on the interpretive nature of the analysis. However, now that the variables have been specified in order to test theory and assess the outcome via standard survey or experimental designs (Eisenhardt & Graebner, 2007; Yin, 1981), future research can proceed by statistically testing the significance of current findings in order to substantiate unique dimensionalities of sales failures. This includes empirically assessing the relative strength of factors in determining sales failure. This comparative assessment may be of particular interest to verify that the identified themes and sub-themes do not purely represent just the inverse of similar, but positively valenced, themes identified within the sales performance literature. For example, while a construct such as trust has strong theoretical support as a construct of importance to buyer–seller exchanges, it may be considered a necessary but not sufficient driver of performance. That is to say, just because trust has been established does not mean the sales proposal will be successful. However, one could envision a significantly stronger association between broken trust (i.e., unmet performance expectations, dishonesty) and failure outcomes. Following this research, these comparative associations should be assessed across the performance and failure continuums in order to test the relative strength of the identified themes and sub-themes on the respective outcomes.

Another study limitation is based on survivor bias. While the current research sought to overcome potential attribution biases by collecting data from the buyer's side of the dyad, researchers should recognize that these respondents may present survivor biases, in which they justify their procurement decisions in support of their current supplier. Future researchers could expand the sales failure conceptualization in a dyadic context as an attempt to overcome this bias. Two specific dyadic contexts lend themselves well to this goal. First, researchers could compare the sales failure phenomenon across buyer and seller organizations. Results provide a means of substantiating or refuting the results in a comparative fashion and open the possibility of using established attribution theoretical frameworks to categorize responses along the dimensions of stable–unstable, internal–external, and controllable–uncontrollable (e.g., Heider, 1958). Second, researchers could compare the buyer's perspective of the sales failure outcome with the sales success outcome. In line with Eisenhardt and Graebner's (2007) emphasis to theoretically sample "polar types" in which researchers sample extreme cases in order to more easily observe contrasting patterns in the data, this comparison would be beneficial in further understanding the comparisons and differences between sales failure and sales performance, as well as empirically documenting if unique drivers exist on the separate continua.

Finally, another comparative extension of the current study for future researchers to consider is looking at differences between sales failures at different stages of the buyer–seller relationship. For example, comparing and contrasting failure at the relationship dissolution stage (i.e., lost relationships) with relationship deterioration within an existing relationship (i.e., vulnerable relationships). While data would need to be collected at different points in time of buyer–seller relationships (i.e., longitudinal data), this form of comparative analysis would provide insights on the process of defection in existing accounts. This process is important because failure likely occurs over time. Further, results would help researchers understand the potentially unique processes that drive the decision to initiate the search for a new seller (i.e., request for proposal) versus the customer decision to ultimately defect from a relationship and select a new seller.

Appendix A. Sample, sales proposal, and buyer characteristics

Case	Seller industry	Service proposed	Buyer industry	Respondent(s)	Sales range	Contract details
1	Industrial services	Foodservice	Education	Exec. Dir., Business Operations	>$15 M	$13.5 million/year; 4.5 years
2	Industrial services	Total management contract	Oil, gas, & petroleum	Strategic Sourcing Lead; Mgr., Site Services	>$15 M	$1.3 billion; 5 years
3	Industrial services	Foodservice, environmental services (EVS), clinical engineering (CE)	Medical — Hospital	VP, Supply Chain	$10.1 M–$15 M	$14 million/year; 1 year
4	Industrial services	Uniform services	Mfg. — Automotive	Global Commodity Manager	$5.1 M–$10 M	$1.3 million/year; 5 years
5	Industrial services	Foodservice	Municipal	Assistant Deputy Superintendent	>$15 M	$2.73 million/year; 7 years
6	Industrial services	Foodservice	Universities	VP, Administration; Dir., Purchasing; CFO	$5.1 M–$10 M	$2 million/year; 5 years
7	Industrial services	Foodservice, EVS	Medical — Healthcare	AVP, Materials	>$15 M	$2.8 million/year (EVS); $13 million (food); 5 years
8	Industrial services	Foodservice	Universities	VP, Student Affairs; EVP	>$15 M	$45 million; 5 years
9	Industrial services	EVS	Medical — Hospital	Assistant Administrator	$5.1 M–10 M	$2 million/year; 5 years
10	Industrial services	EVS	Medical — Hospital	VP, Facilities; Dir., Facility Support	>$15 M	$5 million/year; 5 years
11	Industrial services	Uniform services	Commercial	Mgr., Procurement	$5.1 M–$10 M	$1.6 million/year; 5 years
12	Industrial services	Foodservice	Commercial	VP, Real Estate; Dir., Building Services; Food Service Liaison	$10.1 M–$15 M	$3.7 million/year; 3 years
13	Industrial services	Foodservice	Education	Mgr., Procurement; Dir., Employee Services	>$15 M	$5.4 million/year; 3 years
14	Industrial services	Foodservice	Universities	VP, Financial Affairs; AVP, Financial Affairs	$10.1 M–$15 M	$3.3 million/year; 4 years
15	Industrial services	Foodservice	Hospitality	President; VP, Operations; Consultant	>$15 M	$4 million/year; 7 years
16	Industrial services	EVS	Municipal	City Purchasing; Director	$10.1 M–$15 M	$4.9 million/year; 3 years
17	Industrial services	Foodservice	Education	Dir., Purchasing	>$15 M	$3.6 million/year; 5 years
18	Industrial services	Foodservice	Universities	Business Manager; EVP	>$15 M	$4.5 million/year; 5 years
19	Industrial services	Foodservice, EVS, CE	Medical — Hospital	COO; CIO	>$15 M	$20 million
20	Industrial services	Foodservice	Universities	Dir., Resident Life; VP, Administration	>$15 M	$6.1 million/year; 10 years
21	Industrial services	Uniform services	Shipping & logistics	Dir., MRO Sourcing; former Dir., MRO Sourcing	>$15 M	$16 million; 2–5 years
22	Industrial services	Uniform services	Food & beverage	Mgr., Operations; Dir., Supply Chain Services	>$15 M	$12 million/year; 3 years
23	Industrial services	EVS, CE	Medical — Hospital	COO; VP, Support Services	$5.1 M–$10 M	Specific details not disclosed
24	Industrial services	Foodservice	Universities	Dir., Auxiliary Services	$5.1 M–$10 M	$7.8 million
25	Industrial services	Foodservice, EVS, CE	Medical — Hospital	Assistant Director	>$15 M	$7.9 million/year (food, EVS); 10 years – $3.5 million/year (CE); 10 years
26	Industrial services	Foodservice	Financial services	VP, Dining & Hospitality Services; VP, Strategic Sourcing	>$15 M	$20 million/year
27	Industrial services	Foodservice, EVS, CE	Medical — Hospital	Title Not Disclosed	$10.1 M–$15 M	$5 million/year; 3 years
28	Shipping & logistics	Ground, express, international	Consumer products	Product Development & Office Manager	$5.1 M–$10 M	$3 million/year; 3 years
29	Shipping & logistics	Ground, express	Financial services	Dir., Procurement; Dir., Facilities	$10.1 M–$15 M	$4.5 million/year; 3 years
30	Shipping & logistics	Ground, express, international	Consumer products	President; Distribution Manager	>$15 M	$8 million/year; 2 years
31	Shipping & logistics	Ground, express, logistics	Consumer products	VP, Logistics	>$15 M	$15 million/year; 3 years
32	Shipping & logistics	Logistics	Consumer products	Sr. Mgr., Warranty Services	$10.1 M–$15 M	$12 million/year; 1 year
33	Shipping & logistics	Ground, express	Financial services	Dir., Strategic Outsourcing; VP	>$15 M	$7 million/year; 3 years
34	Shipping & logistics	Ground, express, international	Mfg. — Automotive	Dir., Logistics; Mgr., Distribution	$10.1 M–$15 M	$5 million/year; 3 years
35	Shipping & logistics	Ground, express, international	Education	Consultant; Exec. Dir., Products & Logistics	>$15 M	$10–$30 million/year; 3 years

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