

A Work Project, presented as part of the requirements for the Award of a Masters Degree in
Management from the *NOVA - School of Business and Economics*

**ANALYSIS AND ASSESSMENT OF ROLES IN B2B BUYING IN
THE RETAILING INDUSTRY AND THE CREATION OF AN
ADEQUATE VALUE PROPOSITION FOR IN&OUT PRODUCTS -
based on "In&Out Specialist Program" CEMS Business Project
executed for Daymon Worldwide**

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A Project carried out on the Master in Management course, under the supervision of:
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May 20th 2016

Abstract

ANALYSIS AND ASSESSMENT OF ROLES IN B2B BUYING IN THE RETAILING INDUSTRY AND THE CREATION OF AN ADEQUATE VALUE PROPOSITION FOR IN&OUT PRODUCTS - based on "In&Out Specialist Program" CEMS Business Project executed for Daymon Worldwide

The purpose of this project was to analyze the process of B2B buying in the retailing industry, including the composition and power/influence structures of the buyer centers throughout the entire buying process. The result helps Daymon Worldwide's Omni business unit approach European retailers with an attractive value proposition for In&Out products and establish a position in the market. Those products are a tactical promotional tool, they are not in the permanent assortment of a retailer and the main goal of implementing In&Out programs is to generate store traffic, increase frequency and size of purchases and drive consumer engagement.

Keywords: B2B buyer center; value proposition; retailing; In&Out products

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1. Business project background: brief context and the challenge

This section will discuss the CEMS Business Project's background and context, including a presentation of the client, an overview of the market where the company is operating, as well as a description of the client's current situation and the challenge that the Business Project team was tackling.

1.1. Client

Daymon Worldwide is a multinational company specializing in consumables retailing, operating on six continents and with over 45 years of experience. The company provides expert services throughout all stages of the retail process, in areas such as: Private Brand Development, Strategy & Branding, Sourcing & Logistics, Retail Merchandising Services, Consumer Experience Marketing. For further overview, see figure 1 and 2 in the Appendix.¹

Daymon Worldwide helps retailers achieve growth and success through encompassing them into a network of supplier partners and assisting them in developing customized and targeted go-to-market strategies. The company serves all types of retailers and each service is delivered by a separate business unit of the company. Clients can choose between a fully-integrated retail program that takes advantage of the expertise and synergies between all units, or purchase individual solutions from a single division. In the Business Project, we were dealing with just one division of the company - Omni - responsible for sourcing and logistics services.² The division helps retailers source products from a vast network of global suppliers, provides solutions in logistics and supply chain management, as well as quality assurance. The Omni business unit maintains a strong customer-centric approach, offering services in trend-spotting, market intelligence and analysis and assistance in product development. The CEMS Business Project was prepared through continuous collaboration with the Omni team at Daymon Worldwide's Lisbon office.

1.2. Market Overview - B2B Services in Retailing

Daymon Worldwide operates in the B2B services sector in retailing, which differs significantly from B2C. B2B companies serve fewer, but larger clients and individual transactions matter more than in consumer goods markets. Because the customer decision journey is longer, more complex and involves more decision and influence factors, B2B companies need to know their clients and corresponding needs in-depth, in order to approach them with the best offering on the market. Daymon's customer demand is directly derived from the ultimate demand for consumer products. To maintain a competitive advantage, the company needs to develop distinctive capabilities: the market-sensing capability and the customer-linking capability.³ Daymon Worldwide needs to stay on top of what is happening in consumer markets, as well as their own market for B2B services in retailing. Moreover, the organization needs to excel at customer relationship management in order to identify the clients' emerging needs and opportunities to improve the offering.

Retailing can be described as "the set of business activities that adds value to products and services sold to consumers for their personal or family use".⁴ Retailers are a key part of the supply chain - linking manufacturers with the end-consumers of their products or services. Retailers create value selling an assortment of products to end-consumers, breaking bulk, holding inventory and providing extra services. Retailing can be store-based or non-store (internet retailing, for example). Further, we have a division between grocery, non-grocery and mixed retailers. Retailers differ by format, depending on the type of merchandise sold, the variety and assortment, price and store size.

In the project we have mostly focused on supermarkets, hypermarkets and discounters in grocery-retailing, noting that other formats are experiencing significant growth in the last years and can become a great opportunity for Daymon. The retailing industry is extremely competitive and turbulent, as companies experience an increasing pressure to develop multi-

channel strategies, implement new technologies, as well as follow the constantly changing consumer trends. With the spectacular success of discounters, online retailers and private label categories in the last years, companies are presented with a challenge of developing new ways to drive store traffic and increase sales. Daymon Worldwide cooperates with over 100 retailers from 51 countries, however for our Business Projects we were asked to take under consideration the three largest retailers in Portugal, Spain and Poland, which are presented in the Appendix (figure 2).

1.3. Current client situation - growth opportunities for Omni

Daymon Worldwide continues to be one of the leading B2B service providers in the retailing industry, however the company is constantly looking for new ways to grow. Daymon has identified a new opportunity in the category of In&Out products. In&Outs are products, which are not in the permanent assortment of a retailer. They serve retailers as a tactical tool that aims at generating in-store traffic, increasing the frequency of purchases and the purchase volume per shopper, as well as driving customer engagement. The products can be both food and non-food. In&Out programs are developed according to a retailer's promotional strategy and calendar, depending on local consumer trends, seasonality and holidays. Selection of the right products at the right time, and at the right price/quality ratios has become a crucial success factor in In&Out campaigns.⁵

Omni would like to tap on this opportunity and help its clients develop successful In&Out programs - using the company's network of over 6000 suppliers of goods and the employees' expertise. In order to provide its customers with customized and appealing solutions, Omni has turned to our group to perform an analysis of the opportunity and help in developing a successful customer value proposition for leading retailers in Portugal, Spain and Poland.

1.4. The Business Project Challenge

In&Out programs are tightly linked to each client's distinct retail mix and the underlying business strategy. For Omni to become a relevant supplier of solutions to leading global retailers, a comprehensive analysis of all components of a successful In&Out program needed to be performed, in order to create go-to-market strategies in the three countries of interest: Portugal, Spain and Poland. The project had to incorporate two perspectives on the situation. As retailers' demand for products and services is a reflection of the final consumer demand - the B2C perspective on the project had to be undertaken in order to understand the strategies of Omni's clients. The B2B perspective had to be employed in order to understand each client's business model and the fit between Omni's offer and the retailer's expectations.

Economic, social and cultural differences between countries created additional disparities between the local retail landscapes, which form the basis of the leading retailers' strategies. Each retailer had a different In&Out program execution, in terms of marketing strategy, product selection, communication and in-store implementation. Main trends and patterns needed to be categorized based on the study of current and past programs.

To know how to serve the clients better, the flows and models behind the In&Out program execution had to be analyzed. It was crucial to understand which benefits are the retailers seeking from a supplier, the structure of the buying processes, the timelines of campaigns and the technical requirements for requested products.

Based on this two-ponged study, an action plan needed to be developed, starting with the identification and selection of industry best practices. An innovative, open-minded and opportunity-focused mindset would be needed in order to provide recommendations for creating go-to-market strategies and value propositions.

2. Reflection on the work done and individual contribution

This section contains an in-depth description of the Business Project. The challenge presented to our group by Daymon Worldwide was approached via the problem-solving tool that we have been presented during a skill seminar in February 2016. The following hypotheses and analysis has helped us to develop specific recommendations and action plans. Furthermore this section will contain an individual contribution on a topic strictly related to the Business Project challenge - "Analysis and assessment of roles in B2B buying in the retailing industry and the creation of an adequate value proposition for In&Out products".

2.1. Problem definition

In order to create an adequate problem definition, we have used McKinsey's "problem definition worksheet".⁶ The first step was to take into consideration the broader perspective and analyze the context of the situation. In our case, we were dealing Daymon Worldwide's new business unit - Omni - an American company, established in 1974 and specializing in global sourcing and logistics.⁷ The company's position is relatively strong on the U.S. market, however Daymon Worldwide has noticed a relevant opportunity to introduce Omni's services in the European market. European retailers, inspired by the spectacular success of discounters, such as Lidl, have expressed interest in sourcing In&Out products that would help them increase sales and drive customers in-store. Omni has significant experience in sourcing and logistics, however the company still lacks many established partnerships on the European market. Moreover, the company needs to adapt to an increase in speed-to-market, which is required for success in In&Out programs delivery. Omni needs to develop deeper insight about its clients and their buying needs and processes, in order to approach them with the best product offering and an adequate value proposition. This brief situational context has let us define the basic question to be solved: *"How should Daymon Worldwide (Omni) approach European retailers in order to supply them with products for their In&Out programs?"*.

The Omni team at Daymon Worldwide has ensured us that we should look for the most "out-of-the-box", creative and innovative ways to approach the challenge. A good solution would help Omni create an enchanting value proposition. It would recommend Omni how to develop points of difference over competitors that would tap into the specific needs of retailers based on their individual marketing strategies. It would also identify zones of opportunity within the current retail landscape in each market. The recommendations should be based on a strong rationale, acquired through an extensive analysis of how retailers develop and execute In&Out programs.

As Europe is an extremely diversified market, the scope for the project solution has been limited to three countries: Portugal, Spain and Poland. The In&Out category has been cut to just non-food. The presented recommendations also had to be created with a one-year implementation time in mind. For simplification purposes, the Omni team has asked to examine the three biggest retailers in each country that are large enough to implement In&Out programs and have orders delivered in big volumes - they can be seen in Figure 3 (Appendix).

During the problem definition stage it was also crucial to establish potential limitations and barriers in implementation of the solutions. The main barrier would be to gain access to information about retailers' operations and marketing strategies. As it is a very competitive industry, most of this data is kept extremely confidential. Moreover, leading retailers already have established supply chains with long-term relationships with trusted partners. Some companies have even engaged in backward vertical integration and developed strong private labels, also in the In&Out category. This puts Omni in the position of an "out" supplier. Moreover, depending on the retailer Omni would be dealing with different buying situations. All types of buying situations require different approaches and strategies from the supplier.

The key decision makers and stakeholders in the situation is obviously the Omni team, as well as the potential retailers that would be purchasing the service, more specifically, the buying centers at each company.

After completing all of the steps of the worksheet, we have concluded with a problem definition: *"How should Daymon Worldwide (Omni) approach retailers in Spain, Portugal and Poland in order to sell them In&Out products?"*.

2.2. Methodology

A tri-level methodology was enacted. The situation was first analyzed at the country level, then at the specific retailer level and finally at the level of the In&Out product category.

Each country's retail landscape was thoroughly examined, with a strong focus on emerging consumer trends, dominating retail formats, as well as local seasonality and country-specific characteristics that could provide for an opportunity to implement more In&Out programs.

Next, three biggest retailers in each country were chosen in order to provide for a benchmark in terms of operations and marketing strategies. Each retailer had a distinct retail mix that showcased how the corporate strategy is implemented in the target market. All elements of the retail mix are relevant in order to understand how each retailer operates and how their purchasing needs could be fulfilled by Omni's offering.

To develop a well-targeted approach, each retailer's non-food In&Out programs needed to be analyzed. We took a look at prevailing product categories, type of communication used to reach consumers, store exhibition, as well as the timeline of promotional campaigns and implementation of the programs.

Finally, in order to get a clearer idea of the flows and models behind the program execution, we reached out to buyers from each retailer. We wanted to inquire about the structure and degree of centralizations of commercial departments, relationships with current

suppliers, expectations regarding the purchased products, as well as preferred delivery and lead times. Moreover, we wanted to know more about the rationale behind the choice of product categories for In&Out programs, the promotional timelines, as well as which product characteristics are most valued. A sample questionnaire can be viewed in the Appendix (figure 4). Unfortunately, as the retailing industry is highly competitive, we encountered obstacles in obtaining this information. Most retailers that were approached had strict confidentiality clauses and did not want to share the details of their strategy. One of our colleagues, however, managed to reach out to a former buyer from Aldi in Austria, who has helped us by providing an overview of purchasing processes and the main decision factors.

2.2.1. Hypotheses

The project brief, desk research, initial meetings with Daymon and professor Jorge Velosa, as well as using the problem definition tool, have helped us in developing three hypotheses that would guide our study and be answered through the analysis performed:

Hypothesis 1: In order to approach European retailers and become their preferred In&Out program provider, Omni needs to develop compelling customer value propositions that will address the specific needs of each customer and promise the delivery of desired benefits.

Hypothesis 2: Omni needs to adapt their go-to-market strategy to the local peculiarities of each market and the natures of the retail landscapes.

Hypothesis 3: There are global emerging consumer trends that can form the basis of successful In&Out programs in all markets.

2.2.2. Analysis

In order to test our hypotheses and create recommendations about the value proposition and go-to-market strategies, we needed to get a deeper insight on Omni as a company, the competitive environment, as well as the local target markets and their characteristics and needs.

We started with examining the business model of Omni, as well as the nature of the company's closest competitors. We proceeded with analyzing the needs of retailers and which benefits are emphasized when choosing between different In&Out program providers. This study concluded with the development of Omni's positioning statement that guided the creation of go-to-market strategies.

We have found that all providers of In&Outs offer very competitive and affordable prices. They all possess established relationships within a wide network of product suppliers from all around the world, meaning that they are able to source nearly any product imaginable. Some companies decide to specialize in a specific product category. Moreover, some competitors already collaborate with the chosen Portuguese, Spanish and Polish retailers, which enhances their appeal to the client. These characteristics, an industry standard for Omni, form the points of parity that the company has in common with all of the competitors.

The analysis of Omni has left us with some distinct competitive advantages that would become the points of difference that the company can emphasize in its value proposition. We believe that Omni offers a turnkey solution, meaning that the company provides more services than just the mere sourcing and delivery of the product. It is very valued by retailers, as they constantly search for new ways to streamline their value chains and having an end-to-end service from Omni would help in that. Moreover, due to synergies with other Daymon Worldwide companies, Omni possesses extensive knowledge about consumers that can make the company a strategic partner and advisor for many customers. The resulting positioning statement that was created for Omni is the following:

To large centralized grocery retailers in Portugal, Spain and Poland, Omni is an **In&Out non-food programs provider** that offers a **turnkey-solution** in various product categories and has an **extensive knowledge about customer behavior**, due to synergies with other Daymon Worldwide companies and due to more than 45 years of experience in consumables retailing. All of this is offered **at competitive and affordable prices**.

As for the country analyses, we focused on looking through the retailers' past leaflets and analyzing the nature of In&Out programs implementation. In the case of Spain, Mercadona had no In&Outs in their assortment, meaning we would deal with a challenge of convincing the retailer to introduce a completely new category. For other retailers, we took note of the leading product categories, the way In&Out programs were communicated and implemented in-store. Moreover, for each country we developed lists of emerging consumer trends, as well as the seasonality and local holidays - along with suggestions for corresponding In&Out products.

Finally, in search for creative, "out of the box" solutions that could be applied to any retailer in any market at any time, we analyzed the prevailing global consumer trends. These formed the basis for creating a list of "Master Products" that could be offered by to everyone.

2.3. Recommendations to the company

The analysis performed had provided us with a good basis for developing client recommendations. We decided to divide our recommendations into general and country-specific, as we considered local market conditions an important factor. Due to limited access to buying influentials in the retailers analyzed, we could not develop retailer-specific recommendations.

Our general recommendations included advice on the development of targeted value propositions, based on the aforementioned positioning statement. Moreover, we recommended some commonly used sales tools, such as the key account selection matrix⁸ and the selling process flow.⁹ Those would help Daymon in making important decisions regarding sales activities and the sales force itself. The matrix would help in allocating marketing and sales resources to each retailer, based on their strategic importance to Omni. We have also developed a guide for searching for new In&Out product ideas in order to obtain "Master

Products" that would currently be successful in any market and at any time of the year (see figure 5 in the Appendix).

For Portugal, we found that changing eating and drinking habits, as well as popularity of social media influencers can be relevant for Omni. Moreover, as it is the smallest market of the analysis, with limited growth opportunities, smaller retailers could be approached with a slightly different offering adapted to their strategy and operational requirements (e.g. smaller volumes, narrower assortment).

For Spain, we have noticed that sports and national events - *fiestas* - result in increased consumer spending on non-essential items, which could increase sales of In&Outs. We also highlighted the case of Mercadona and how it should be approached.

Poland is characterized by increased seasonality (four distinct weather seasons) that provides for a lot of In&Out opportunities. Moreover, the country continues to be extremely traditional, and religious holidays are deeply celebrated, resulting in increased sales for major retailers. It is a very dynamic market and we identified a growth opportunity in non-grocery retailers: Empik and Rossmann.

2.4. Concerns - shortcomings, implementation problems expected

We have identified three main implementation challenges regarding our recommendations and suggested action plans. The first one, as already mentioned, was the case of Mercadona. Ordering In&Outs would be a new task buying situations for the retailer, which should be approached with a careful preparation. There is no guarantee that it is possible to convince Mercadona to start carrying a new category, as the retailer takes pride in being already very successful on the Spanish market. Furthermore, as Omni has yet to achieve a good reputation and an established position in Europe, it would approach most retailers as an "out supplier". Breaking through to appear on the approved vendor list can prove to be very difficult, especially in the case of retailers who are already very strong in In&Out

programs, such as Lidl or Biedronka. Finally, one market clearly stood out in our analysis and it was Portugal. With little growth and profitability potential, Omni would encounter many obstacles in the country. Most of the power is possessed by the top two leading retailers, who have yet to become effective in In&Out programs. Approaching smaller retailers, such as gas stations or convenience stores, will be extremely difficult for Omni, as it would require changes in order volumes, as well as the proposed assortments.

2.5. Individual contribution - "Analysis and assessment of roles in B2B buying in the retailing industry and the creation of an adequate value proposition for In&Out products"

In order to build a value proposition, the buyer center of each retailer needed to be analyzed and assessed as to find the "key buying influentials", or in other words, those who have the power to make a purchase decision in an organization. This section, basing on the experience from the project and additional research, will provide a description of the buyer center and corresponding roles, as well as guidance in creating a customer value proposition.

Being able to step into the customers' shoes lets B2B marketers define value and see how their offer can match the customers' expectations and meet all of their requirements. A deep understanding of the customers' perspective enables the creation of a customer value proposition. The customer value proposition goes beyond merely emphasizing that the product will "get the job done". Noneconomic, both tangible and intangible, benefits gain in significance, thus a supplier should focus on signaling them in favor of simple economic and rational ones.¹⁰ Market reputation, brand image, trust, loyalty and long-term relationship development all help to appeal to customers when the next best alternative is very similar, as well as take advantage of the "hidden wealth of customers" by transforming them into advocates and peer influencers.¹¹ In order to choose the adequate emotional benefits, the

marketer needs to get to know the customer well, to see which issues are most prevalent at the buying company and what "ticks" the decision-makers.

A compelling customer value proposition does not attempt to deliver more benefits than the most direct competitor. Instead, it focuses on the few most important benefits that matter most to the buying organization - it has a *resonating focus*¹². It manages to demonstrate superior performance on delivering those benefits, as well as communicates a complex understanding of the customers' business model and its priorities and needs. A customer value proposition is composed of two parts: points of parity - the elements with the same performance as the next best alternative, and points of difference - the elements that make the supplier's offer superior or inferior to the next best alternative.¹³

An important consideration has to be made about the fact that it is not organizations that buy products - it is the people in these organizations who do. There are a lot of individual and emotional factors in purchase decision and it is crucial to understand the buying motivations, priorities, as well as interactions and power structures within the buying center of the customer.

Organizational buying is a process composed of many stages and involving many participants.¹⁴ It commences when a member of the organization realizes that a certain problem can be solved or an opportunity can be seized by an acquisition of a product or a service from another company. This person is the *initiator* of the buying process. Moreover, the selling organization can try to anticipate the customers' requests by frequently presenting its customers with opportunities and solutions for performance improvement.

Every retailer develops a system for grouping different product categories and assigning people who would be responsible for managing them. Merchandise is usually divided into broader groups, managed by general merchandise managers. Divisional merchandise managers take over when groups are further divided into departments. It is at the

next level when actual buyers step in, at the moment when products are divided into categories and each category has an established number of stock-keeping units (SKUs). It is important to note that buyers will not always be the key decision makers or the initiators of the buying process, in most cases they just care of the execution.¹⁵ Separate from the merchandise management system, there is a merchandise-planning unit that takes care of the whole merchandise planning process. The different stages of the process can be seen in the appendix (figure 6). In&Out products would fall somewhere in between fashion and seasonal product categories, that are significantly more complex and difficult to forecast sales, plan and implement. Based on this information and additional remarks from the Omni team, it can be assumed that the *initiator* of the buying process would probably come from within the planning unit, for a respective category. Moreover, commencement of the buying process in the case of In&Outs is highly influenced by the marketing department, which defines promotional calendars for the retailer - basing on the retailer's strategy, local events and holidays, as well as emerging consumer trends.

The next stage of the buying process is developing a general description of the need to be solved and define product specifications. These activities are also performed in the commercial department of the retailer and the planning unit is involved, in order to develop an assortment plan. The members of this department can also act as *gatekeepers* throughout the supplier search. They are product experts who keep up on supplier offerings and maintain an approved vendors list. They can restrict access to the key purchase decision-makers by choosing which suppliers will get a chance to collaborate with the organization. They are also responsible for analyzing merchandise management performance, which includes evaluating current assortment plans and existing vendors. Vendors are usually evaluated using the multi-attribute method, where they receive a score on different dimensions, such as meeting

delivery dates, quality of products and service offered and promotional assistance, among others.¹⁶ In most retailers this is done periodically, for example, once a year.

For Omni, this constitutes a very important window of opportunity. Since in most cases, the company would be an "out supplier", they have to approach the retailer at the moment when current suppliers are being evaluated and alternatives considered.¹⁷ An "out supplier" needs to be able to convince the buying organization to step out of their current routine and undertake a certain risk of choosing the unknown. Access to decision makers and the amount of information they require in order to sign a new contract will also depend on the type of buying situation the retailer is dealing with. All the retailers analyzed for the purpose of the Business Project, except Mercadona, were already carrying out In&Out programs, so in their case collaboration with Omni would be part of a modified or straight rebuy situation. Little information is required in straight rebuy situation and organizations usually have routine processes for purchasing. "In-suppliers" need to focus on maintaining a good relationship and "out-suppliers" are rarely considered. In a modified rebuy situation, buyers are more willing to assess alternative solutions. They have defined selection criteria, but are open to reevaluating supplier relationships. Omni should be able to anticipate the problems that can trigger modified rebuy considerations and focus on closely monitoring the customer's business in order to create a convincing value proposition.

In the case of Mercadona, Omni would be dealing with a new task buying situation. Increased amount of information is needed for the retailer, in order to decide whether implementing a completely new product category is beneficial. The buying process becomes more time-consuming and there are more influencers involved, as the decision is of strategic nature and would affect many areas of the company. The value proposition should address the specific issues Mercadona could be dealing with and meet all of the retailer's operating

requirements. Moreover, it should include quantitative evidence on the impact of In&Out programs on the retailer's sales and profitability.

As the buying process progresses and different supplier proposals are analyzed there are many people who may influence the decision-making process. Those *influencers* have a say whether a purchase is made and what is bought. If a purchase is major, the range of influencers becomes broader, as more organizational resources are employed and more areas affected. *Influencers* are also often product experts and they are able to evaluate alternatives and set further buying specifications. In some cases, even people outside the organization can perform the role of *influencers*. In any retailer, this role is mostly performed by the commercial department together with the logistics and operations departments. It is not only important for the product to be ordered, but also successfully delivered, transported and placed in store, which makes those other departments have a say in the decision process.

A supplier is chosen after the final "yes" or "no" is said by the *deciders*. Often those are department managers, or senior managers when dealing with a major order. Usually, the manager who is in contact with the chosen supplier will become the champion or advocate for the considered purchase and complete it. It is important to note that the deciders are not the ones who put the actual signature on the buying contract - those are the *purchasers*. Depending on the retailer, the role of a *decider* can be assumed by different higher-level managers and the *purchaser* will be the person with the position of a buyer.

A separate unit in the buying center - *users* - can be involved throughout the entire purchase process, or even initiate it. *Users* are the personnel who will use the product that is contemplated. In the case of a retailer, this role is performed by the logistics and operations department, who are responsible for handling the actual product, putting in in store and selling it to the final consumer. Moreover, the users of the product are the actual final

consumers. The success of the retailer's purchase decision will depend on their willingness to acquire the product.

Knowing who are the members of the buyer center is the basis for evaluating the power and influence relationships affecting the purchase process. There are two types of power bases at any organization - positive (champion power) and negative (veto power).¹⁸ Essentially, a B2B marketer will want to appeal to those buyer center participants who possess champion power, in order to get their help in convincing the main decision-makers. Having a high position in the organizational rank and a significant degree of authority lets people exercise power continuously. Expert power is one of the most influential in buying centers. Participants who possess the most professional knowledge about the product and the need that it will serve, will be the most demanding and rigid in evaluating the supplier offering. In order to get a clear idea of the power structures in a retailer's buying center, it is best to start with following the information and communication flows. Powerful members tend to be closer to the top-management of the company and all others report to them on a regular basis. It is also crucial to understand not only the type of power members possess, but also the type of power they aspire to.

The next step is identifying the motivations of each powerful and influential buying center member, as well as understand what are their evaluative criteria. Most buyers aim to either maximize their gains or minimize their losses from the purchase situation. They will never be completely sure that the purchased product or service will deliver expected performance, so it is crucial for a seller to focus on increasing the buyer's confidence and trust in the proposed solution. Post-purchase services, guarantees and close collaboration with quality assurance departments at retailers can serve this purpose.

Every product or service is composed of different characteristics, which can further be classified according to corresponding types of benefits - such as financial, product-service,

social-political or even personal. Every buyer emphasizes a different type of benefits, thus it is crucial for the supplier to learn what the decision-makers mostly desire in a product and focus the value proposition on these benefits.

Moreover, every member of the buying center will have different evaluative criteria that they will use to compare alternative supplier offers. The differences of priorities and requirements among all people involved in the purchase process can be due to their organizational function, educational background, exposure to information from different sources and the way it is interpreted, as well as past experience in similar situations. Based on research and the interview that we conducted, we specified that most retailers prefer an end-to-end service in terms of In&Out program provision. The favorable price/quality ratio is emphasized, as well as timely delivery dates, as In&Outs are not in the permanent assortment and correspond to the promotional calendar. Most retailers are looking for building strategic relationships, where the vendor is an advisor and an important business partner. Profound market and customer knowledge is required, in order to provide programs that are most relevant to the retail mix. Moreover, deep consumer insight is extremely helpful in being able to predict emerging opportunities and assist the retailers in all the steps of implementing an In&Out program.

After a careful analysis of the buyer center and the power/influence structures within it, the selling organization is ready to prepare an appealing value proposition. For the purpose of our Business Project, we developed the aforementioned Omni's positioning statement that forms the basis of the value proposition. However, this proposition should vary according to the retailer that is being approached, as it is essential to adapt the offering in relation to the retailer's strategy, operating environment and the nature of the In&Out category in the assortment.

3. Academic discussion

3.1. Links to Master in Management program

The Business Project challenge has touched upon many topics related to the Master in Management program. The program curriculum includes many different courses related to marketing and the Project's main aim was to explore the area of B2B selling and marketing - from a supplier to a retailer. It was a very interesting shift of focus, as during the studies we have mostly looked at the final consumer as the default customer, while the B2B perspective is highly relevant for many companies.

In our Business Project we were dealing with just one division of a global service provider company and we could notice how many links and interdependencies exist between different business units of one corporation. We learnt that communication, coordination and ability to extract synergies between different parts of the organization are extremely important in the case of a multidivisional and multinational corporation.

Moreover, the industry that our Business Project was dealing with - retailing - is very specific. It is extremely consumer-focused, dynamic and diverse. We were analyzing the supply chains of major retailers in three big European countries and could come to the conclusion that the peculiarities of this industry impose the creation of innovative and adaptive business models and strategies. We managed to gain a deeper insight into the concept of the value chain and the importance of developing long-term loyal relationships with its participants. We could also note the influence of local country environments and how they shape the retail landscape for each market. It highlighted a paradox that many managers are dealing with nowadays - between the concept of one globalized world and the realities of diverse local conditions.

All in all, although the Business Project was focused on the topic of B2B selling, it also interrelated with other management areas, such as marketing, strategy, global vs. local perspectives on doing business, international management and sales force management.

3.2. Relevant theories and empirical studies

The theories and studies related to the Business Project could be analyzed from two perspectives. Firstly, we were dealing with a B2B service provider. In order to understand the Business Project challenge, it was absolutely crucial to familiarize ourselves with the B2B sector and its characteristics. We needed to understand how it differs from B2C and how these differences impact the creation of appropriate go-to-market strategies.

To switch the perspective to a B2B environment, we needed to acquire some theoretical background. An important step was the understanding the process of B2B buying. Organizational buying center composition analysis proved to be extremely important, as well as power and influence structures within it. The concept of developing a customer value proposition was the basis for creating recommendations.

As Omni is a selling organization in the aforementioned B2B process, some models from sales force management and sales in general were applied throughout the Business Project. Go-to-market strategies are derived directly from the sales strategy of a company, thus it was crucial to get familiar with its theoretical basics. Performing customer segmentation and creating customer offerings helped in establishing Omni's sales process, composed of different activities in each specific stage. The topic of key account management has also been touched upon. The key account selection matrix was studied in order to recommend it as a tool for Omni to evaluate the potential of each client and prioritize the efforts dedicated to serve them. The contents of a key account plan proved to be relevant in order to see how strategic customer management is applied in real life.

Secondly, the industry that the Business Project was dealing with was retailing. Retailers significantly affect the way products and services circulate between manufacturers and final consumers. The biggest retail chains have become global superpowers. It is important to note that, when selling to retailers, a company is dealing with derived demand, making the process much more complex. The concepts of financial-cost side and demand side retailing positioning needed to be analyzed in order to understand each customer's underlying strategy and the retail mix that implemented it in the market.¹⁹ Moreover, as In&Outs are a very specific category, the notions of merchandise and category management were touched upon. The impact of private label development and discounter retailers' success on the retailing industry proved to be significant as well.

3.3. Implications for theory and future research

First of all, as B2B buying and selling represents such a significant part of most industries, I believe it is crucial to include more courses in business schools' curricula that would tackle the specificities of operating within this sector. B2B processes are still very vaguely presented. Moreover, in the era of digitalization and emerging technological innovations, purchase decisions and the influencers behind them are completely different. B2B buyers have access to an increased amount of information and they are perfectly equipped to compare different offerings. Value propositions nowadays need to focus on emotional benefits of the product and/or service. Future research should indicate how to recognize the relevant benefits, develop them and showcase them to the customer.

As the retailing industry is so highly competitive, it is very difficult to gain access to many information of strategic, or even operational nature. To better understand how retailers work, more research would need to be done, based on analyzing different business models, including emerging innovations, such as omnichannel retailing. Furthermore, as the world

gets more globalized, models for coordination and control of global supply chains, also in terms of omnichannel retailing, should be a topic for more research.

4. Personal reflection

4.1. Personal experience and key strengths and weaknesses observable during the project

As a substantial part of the Business Project dealt with my home country, Poland, I managed to create a very personal connection to the topic. It was flattering to hear that a global company like Daymon is highly interested in the Polish market and this fact has definitely increased my levels of motivation and dedication to the project. Being an individualist, I was extremely happy that our work could be divided by country. I am a pragmatist, meaning that my approach to the project was from the very beginning very practical and organized. It has helped us to develop internal deadlines for each part of the analysis and stay on track. Moreover, our team had a very good dynamic. We were a fairly multicultural group, which has proved to be very beneficial in all of the brainstorming phases of the project. We had no ascribed leader, however everyone was working in a very structured way and delivering expected results. We have also established a very supportive atmosphere, and we maintained the same favorable team balance throughout the entire semester.

I believe that being Polish has proven to be the biggest advantage for me, as I had deep insight about the slightly "unknown" market. Our recommendations to Daymon were partly based on a specific analysis, and partly on our intuition and creativity. That has helped us to come up with more "out of the box" solutions. I am a fairly analytical person and at one point I found it difficult to open up my mind. We were lacking many parts of the analysis due to obstacles with obtaining interviews, thus we had to learn how to improvise and be more innovative. It was very difficult for me, as I am rather rational and need significant evidence

before I agree on an idea. But the atmosphere that we developed in the team have helped in overcoming my initial "creativity block" and encouraged me to be brave and voice out even the wildest ideas and suggestions.

4.2. Areas for personal improvement

As it was mentioned before, there were some phases of the project where I discovered that my personality became an obstacle. Although planning and organizing was very useful in the beginning, it was hard for me to adapt to a more spontaneous and chaotic work style in the last phases of the project. I need to work on improving my flexibility, especially considering the fact that all my future work will be based on resolving complex and challenging issues, where iterative work processes dominate. Moreover, my group members alarmed me that, at times, my personal connection to the project was impairing my objectivity. I was very attached to the analysis of the Polish market and it was hard for me to take criticism. In the future, I need to learn to accept feedback and consider the broader context, as well as alternative solutions that might have slipped my mind.

4.3. Hindsight remarks: What added most value? What should have been done differently?

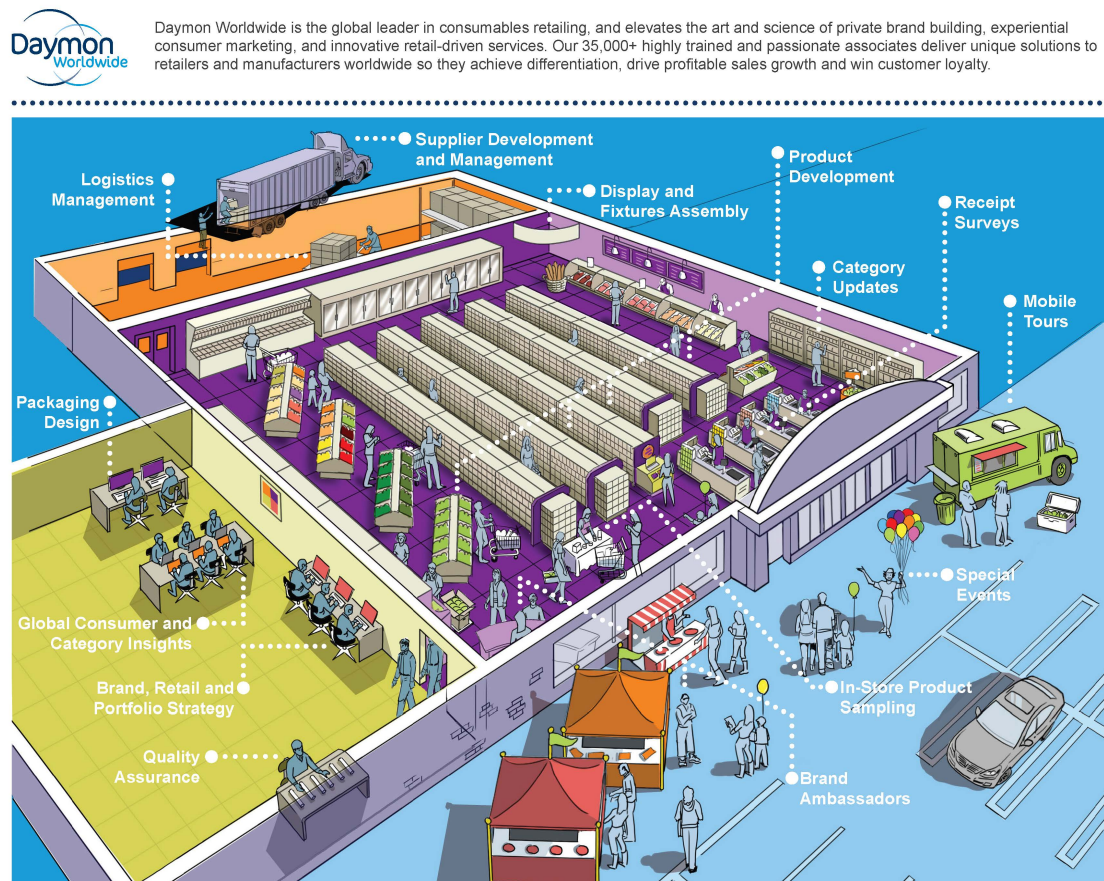
I think that the most value was added due to the team itself. Our diverse nationalities, backgrounds, personalities and work styles resulted in a very tolerant and motivating environment. The great dynamic we established has helped us get through all of the harder stages of the project, where we were lacking information, could not proceed or were completely stuck. Moreover, in a way, the fact that we had limited access to necessary information has let us liberate our thought processes, which in turn resulted in some of the best and most appreciated recommendations that we included in our project.

If I could start the project again, I would definitely begin with preparing a contingency plan in case we do not receive any useful insight from the interviews. We were hoping until

the very last moment that our contacts will come through and it has wasted a lot of valuable time that could have been spent on proceeding with the work.

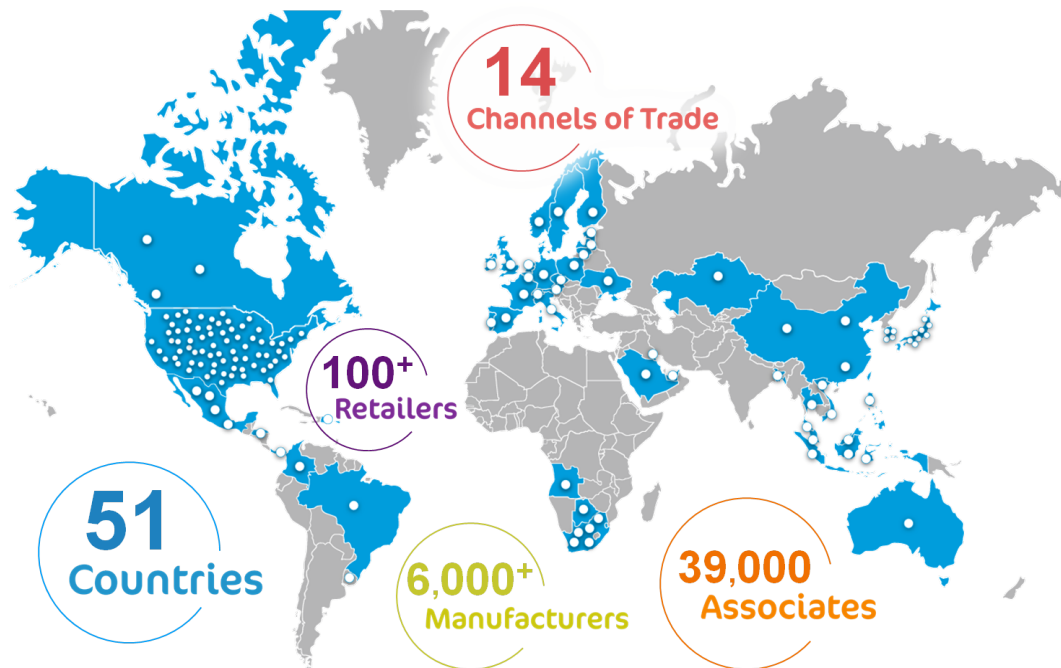
APPENDIX:

Figure 1 - Overview of Daymon Worldwide Services



source: Daymon Worldwide. 2016. Daymon Worldwide. <http://www.daymon.com/>. (accessed May 10th, 2016).

Figure 2 - Daymon Worldwide Global Presence



source: Daymon Worldwide. 2016. Daymon Worldwide. <http://www.daymon.com/>. (accessed May 10th, 2016).

Figure 3 - Retailers chosen for the analysis



adapted from: CEMS Business Project Final Presentation - April 29th 2016 at Daymon Worldwide office in Lisbon

Figure 4 - Sample Questionnaire for phone/Skype interviews with buyers

Interview questions:

1. Do you have long-term relationships with suppliers of In & Out products?
2. Do you attend supplier fairs/trade shows regularly?
3. Do you currently have foreign suppliers? What are the average lead/delivery times?
4. Do you prefer a turnkey solution (with all services provided by a supplier) or just sourcing/manufacturing and performing all other steps of the process on your own (design, packaging, marketing, import, creative services)?
5. What do you value more? Price? Quality? Variety of products? New ideas? Delivery time?
6. Would you value if the supplier is coming up and approaching you/suggesting with new ideas for your In & Out product portfolio?
7. What are the most popular product categories for In & Out programs?
8. Which are the main steps of the purchasing process at your company?
9. Who are the decisions makers?
10. What are the promotional timelines? When are leaflets issued (how much in advance before promotion starts)? How often are leaflets issued?
11. Which factors do you take under consideration when taking decisions about order volumes?
12. Are products centrally purchased or regionally?
13. Are the same products carried in all stores in all regions?
14. Do you conduct research about consumer needs/trends/preferences to apply for your In & Out program strategy?
15. Do you have templates for request for information for suppliers? <Ask if they can share it with us>

Figure 5: In&Out Master products

Master Products

Promising In & Outs to sell anywhere and anytime



ELECTRONIC DEVICES	SPORTS & OUTDOOR	OTHER
Drones Wearables Smartwatches Activity trackers Body composition analyzers Bluetooth devices 	Licensed products for sport events World Cup, Olympic Games) Sports apparel and accessories (Crossfit, Yoga, Running) Hover boards 	Cloth shoes Replicas of popular branded products (e.g. Nike inspired sneakers) Wooden product line (sunglasses, watches, jewelry) 

"IN & OUTS" PROGRAM SPECIALIST

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adapted from: CEMS Business Project Final Presentation - April 29th 2016 at Daymon Worldwide office in Lisbon

Figure 6: Merchandise Planning Process



Adapted from: Levy, Michael, and Barton A. Weitz. 2009. "Managing Merchandise Assortments". In: *Retailing Management Seventh Edition*. McGraw-Hill Irwin. p. 328-355

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¹³ Hutt, Michael D., and Thomas W. Speh.(2013). "A Business Marketing Perspective". In: *Business Marketing Management, 11th edition*. Palgrave Macmillan.

¹⁴ Buyer center participants include: Initiator, Decider, Influencers, Purchaser, Gatekeeper, Users. source: Bonoma, Thomas. (2006). *Major Sales: Who really does the buying?*. Harvard Business Review, July-August, pp. 172-181

¹⁵ Levy, Michael, and Barton A. Weitz. (2009). "Managing Merchandise Assortments". In: *Retailing Management Seventh Edition*. McGraw-Hill Irwin. pp. 328-355

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