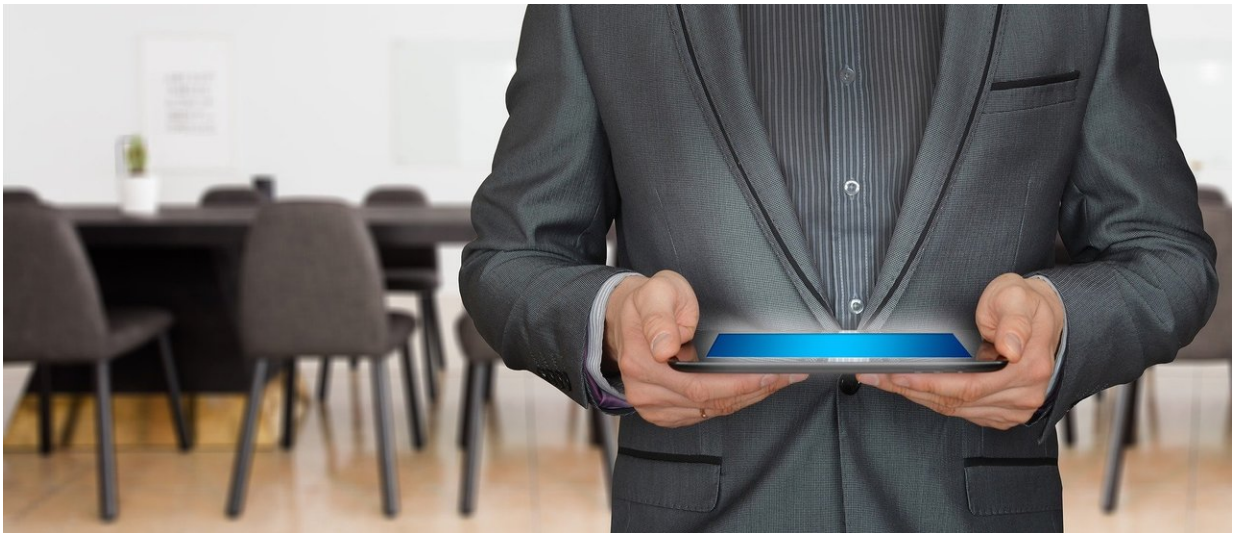


When salespeople advocate for sellers and customers

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Researchers from Oklahoma State University, University of Missouri, Iowa State University, and University of Georgia published a new paper in the *Journal of Marketing* that investigates the question of how salespeople should balance advocacy for the seller with advocacy for the customer.

The study, forthcoming in the *Journal of Marketing*, is titled "Salesperson Dual Agency in Price Negotiations" and is authored by Justin Lawrence, Lisa Scheer, Andrew Crecelius, and Son Lam.

How should salespeople represent both the seller and the customer when their interests diverge, as in pricing negotiations? The research team extends a dual agency framework to the sales domain and examines the salesperson's role throughout the three stages of the [discount](#) process: (a) the customer's discount request, (b) the seller's approval, and (c) the seller's post-approval profit. This framework is tested across three multimethod studies and provides the first empirical investigation that deconstructs the sequential B2B customer-specific discount process.

The study concludes that the most favorable outcomes result when the salesperson engages in high levels of both customer advocacy and seller advocacy. As Lawrence explains, "Traditional agency theory research focuses on the salesperson as an agent of the seller. In contrast, we emphasize that the customer also considers the salesperson as its agent. As a result, the salesperson is unlikely to succeed as a seller advocate without also engaging in customer advocacy. For salespeople, our research offers guidance on a classic dilemma: the tension between the customer's desire for a [lower price](#) and the seller's insistence on demonstrating the value of its offering rather than compromising on price."

"Our findings are liberating for salespeople; they need not choose a side in discount negotiations. Instead, they can compartmentalize their duties. When dealing with the customer, they act as a fierce advocate for the seller; when dealing with seller personnel, they are a strong customer advocate" adds Scheer. This compartmentalization, somewhat paradoxically, enables the synergistic relationship between the two forms of advocacy and drives superior outcomes for both firms.

Although a salesperson's forceful advocacy on a customer's behalf may appear to threaten the seller's bottom line, sellers should consider that salesperson customer advocacy may be vital to a profitable relationship with the customer. Sellers are advised to encourage salespeople to serve

as agents of their customers while also effectively acting as agents of the seller. Sales training programs, for example, can emphasize the importance of taking concrete actions to develop deep understanding of the customer's needs, effectively representing the customer's interests, and advocating forcefully for discounts and other seller concessions and assistance when warranted to bolster the customer's business and deepen the relationship.

One practical approach for sellers to leverage salesperson dual agency to their advantage is to encourage the development of multiple interfirm linkages with the customer, including cross-boundary interpersonal ties. Similarly, allowing a customer to learn more about the salesperson's customer advocacy amplifies the effectiveness of seller advocacy toward that customer. Following the seller's discount decision—even if the discount was denied—sales managers or pricing personnel can find ways to notify customers how the salesperson went to bat for them.

Customers should not hinder seller efforts to learn more about the salesperson's seller advocacy. For example, the seller might send the customer a survey asking about the salesperson's behaviors. Customers should view this as an opportunity to improve the seller's certainty about the salesperson's faithful representation. These findings differ from the implications of extant sales theories and prior sales research, which suggest that the salesperson serving two masters whose objectives are opposed (as with discounts) can lead to role stress and reduced performance.

Salespeople, sales managers, and organizational buyers can find value in this research. Whereas sellers warn salespeople not to 'be sold by the customer,' the findings suggest that sellers should encourage salespeople to advance the customer's agenda in discount negotiations. Engaging in seller advocacy, without [customer](#) advocacy, is likely to be ineffective or even lead to reduced [seller](#) profit. Customers and sellers can benefit

from understanding that salesperson's advocacy for the other party is mutually beneficial and an important part of the [salesperson](#)'s role.

More information: Justin M. Lawrence et al, EXPRESS: Salesperson Dual Agency in Price Negotiations, *Journal of Marketing* (2020). [DOI: 10.1177/0022242920974611](#)

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