

# Salespeople's Customer Orientation and Price Negotiations

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## **Abstract**

Although sales managers recognize salespeople's customer orientation as a key success factor in personal selling, it remains unclear whether it in fact increases salespeople's financial outcomes. A potential reason might be that research neglected the role of salespeople's customer orientation in selling activities where salespeople have to claim company value from customers. Therefore, we examine the consequences of salespeople's customer orientation in price negotiations and investigate how sales managers can regulate these by implementing supervisory- and compensation based controls. Building on dual concern theory, we expect salespeople's customer orientation to increase discounts, if not effectively regulated by sales controls. Results of three studies comprising data of overall 647 salespeople, objective data, and 249 salesperson-customer interactions show that salespeople's customer orientation creates a dilemma for sales managers. Thereby this study extends research on salespeople's customer orientation and sales controls and provides clear guidance for sales managers.

**Keywords:** *Customer Orientation; Price Negotiations; Sales Controls*

**Track:** Sales Management and Personal Selling