

# Price Negotiations in B2B Markets: How Firms' Strategic Risk-Taking Affects Salespeople's Price Defense

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## **Abstract**

This article investigates how a firm's strategic risk-taking affects salespeople's price defense in negotiations with clients. Despite the importance of price defense for firm performance, research neglected a firm's strategy as an antecedent of salespeople's negotiation behavior. Drawing on the behavioral theory of the firm and the motivation-opportunity-ability framework, we theorize and test (1) how a firm's strategic risk-taking affects salespeople's price defense and (2) which levers sales managers have to handle to control this relationship to a firm's benefit. To this end, we conduct a multimethod investigation, comprising a scenario experiment with 140 B2B salespeople and an online survey with 387 B2B salespeople. The results reveal that a firm's strategic risk-taking decreases a salesperson's price defense within negotiations with clients. However, the impact of a firm's strategic risk-taking is diminished by salespeople's motivation, opportunity, and ability to defend prices.

**Subject Areas:** *Business-to-Business Marketing, Organization Behavior, Sales Force*

**Track:** Sales Management and Personal Selling