



Article Title

Salesperson Slotting Allowance Authority in Manufacturer-Retailer Negotiations

Citation

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Abstract

Over the past 30 years, slotting allowances have played an important, albeit contentious, role in manufacturer-retailer relationships. As the debate over this practice continues, little attention is being paid to the role of salespeople in slotting allowance negotiations. The current study addresses this shortcoming in the literature by investigating the delegation of slotting allowance authority to salespeople in the context of manufacturer-retailer negotiations. A structural model is tested using data collected from retail managers. The analysis indicates that delegating slotting allowance authority to salespeople positively impacts the salesperson's influence over customer decisions and enhances selling performance. The results also suggest that a salesperson's trustworthiness increases his or her influence and performance with the customer. Overall, the findings suggest that manufacturers are likely to benefit from delegating slotting allowance authority to the sales force and training salespeople to convey this authority during retail negotiations. The study concludes with a discussion of implications for theory and practice.

Conclusion

The study finds that a salesperson's trustworthiness strengthens his or her influence over the retailer's decision. Authors also find that salesperson trustworthiness directly improves selling performance with the retailer. In line with this finding, sales managers would be wise to develop trustworthiness among the sales force by, for example, incorporating a trust component when recruiting, onboarding, and training new salespeople. As an additional step, in combination with measures like sales unit-dollar volume and number of calls made, sales managers may wish to consider adding trustworthiness as a performance metric for salespeople. Our findings indicate such an initiative will likely lead to positive outcomes for manufacturers and salespeople alike.