Should Managers Probe or Offer Rewards to Access Salesperson Competitor Information?: Exploring the Link between Salesperson Competitor Information and Performance

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MGR Acquisition of Salesperson Competitor Information

- Competitor actions represent significant source of customer influence.
- "By monitoring competitors on an on-going basis you get to know their behavior and so can start to anticipate what they will be likely to do next."
- **Benefit**:
  - Creating better business and sales strategy allowing you to win customers through superior value (Dahl, 2011)

Salesperson Competitor Information

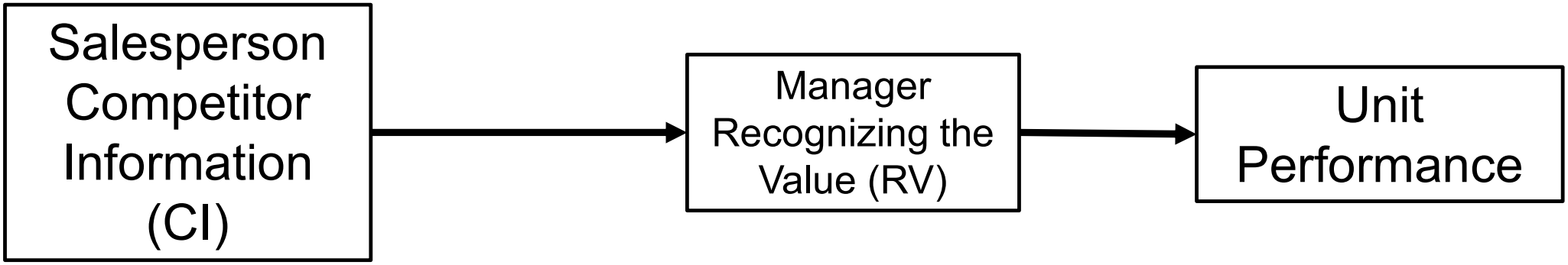
- As boundary spanners, salespeople can acquire information about competitors such as their strategic initiatives and NPD (i.e., competitive intelligence) (Cross, Hartley, Rudelius, & Vassey, 2001; Le Bon, 2013).
- Research identifies salespeople as information processors (Aldrich and Herker, 1977) and knowledge brokers (Verbeke, Dietz, and Verwaal, 2011).
- However, research also identifies that salespeople are generally reluctant to divulge their competitive intelligence (Nowlin, Anaza, and Anaza 2015; Anaza and Nowlin 2017; Chaker, Nowlin, Walker, and Anaza, 2020).
- As a result, sales managers must overcome their salespeople's resistance to sharing their competitive intelligence if they want to access to it.

Research Gap

- In general, research suggests that firms may lack awareness of competitors (Cyert and March 1963, Porac et al 1989, Baum and Lant 2003, Thatchenkery and Katila 2021)
- Few studies investigate salesperson resistance to sharing competitive intelligence
  - Theoretical article proposes factors that would inhibit salesperson knowledge sharing (Nowlin et al. 2015).
  - Empirical investigation of the drivers of knowledge hoarding behaviors (Anaza and Nowlin 2017).
- No research investigates the disclosure of specific knowledge types.

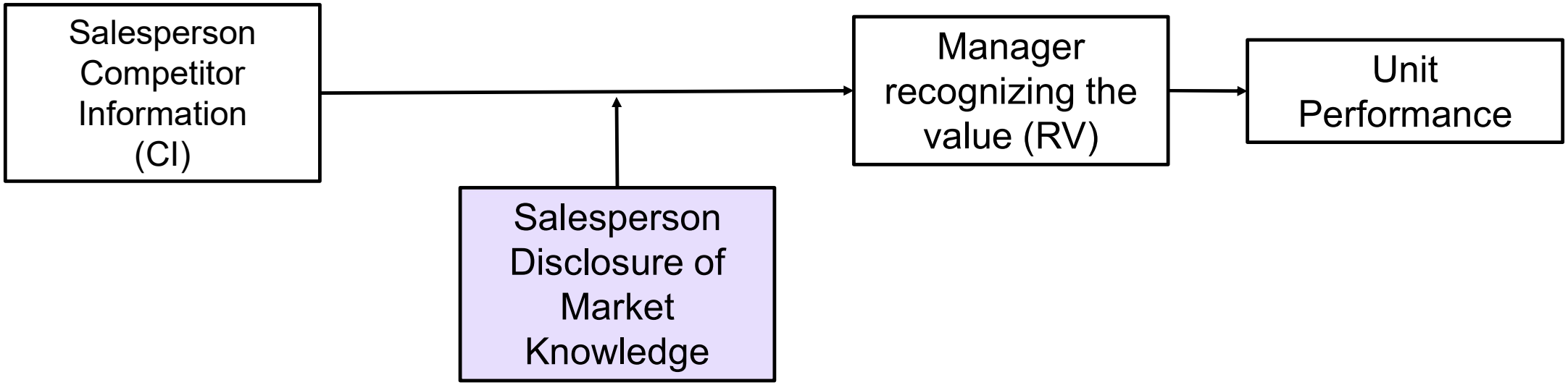
Research Question #1

What is the process by which salespeople's information concerning the competition increases desirable outcomes for the sales unit?



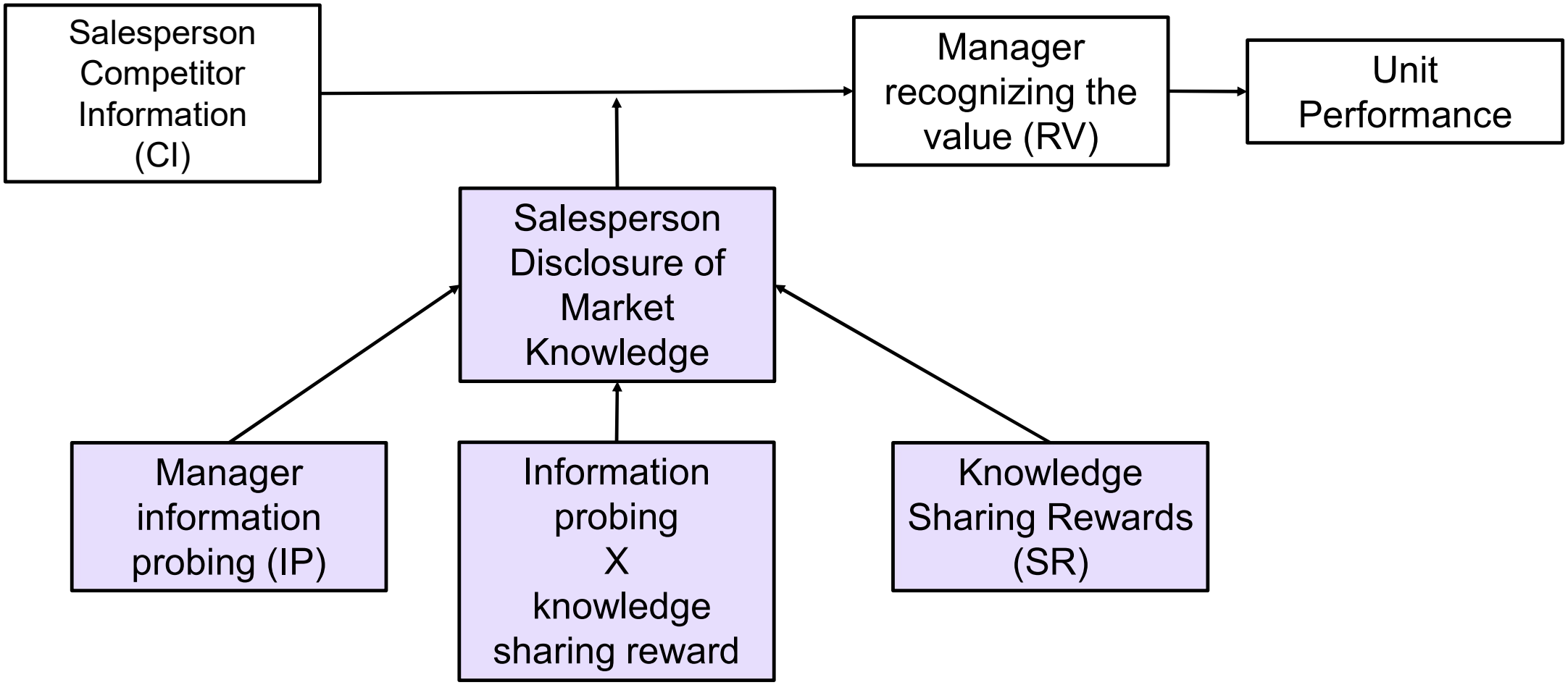
Research Question #2

Is this process conditional on salespeople's disclosure of this information?



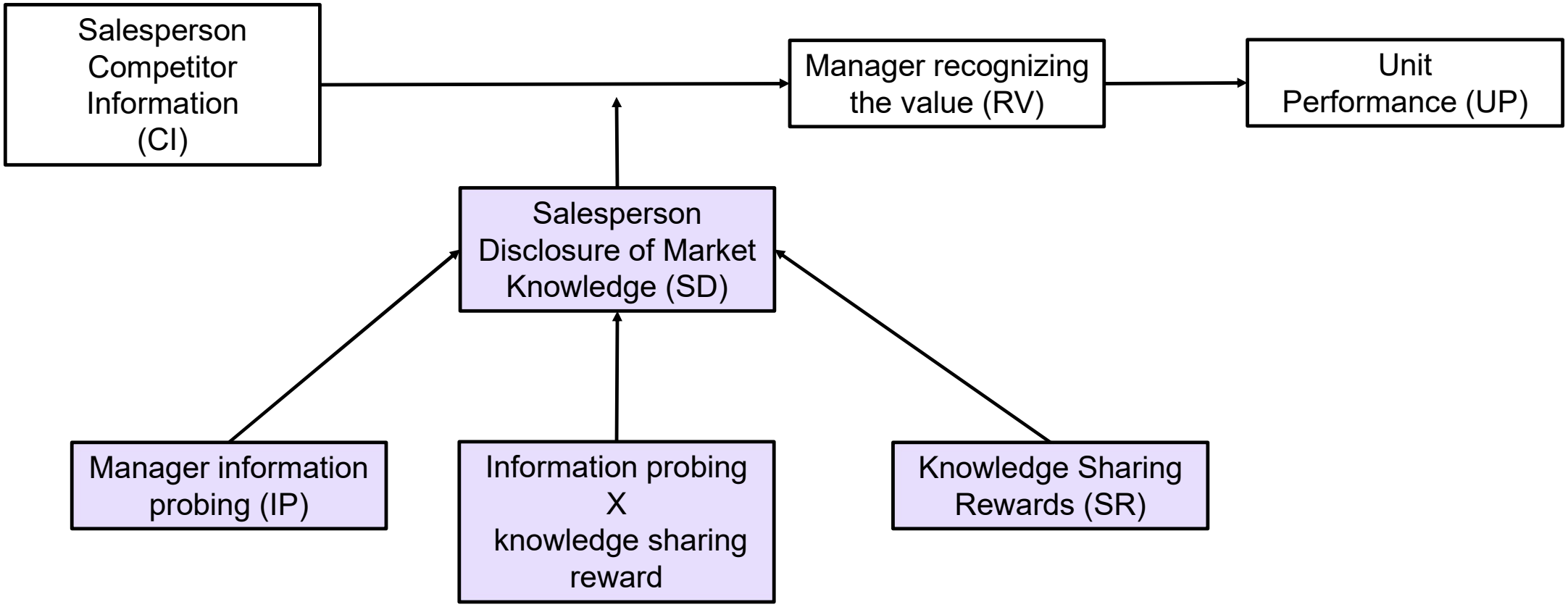
Research Question #3

Is salespeople's disclosure a function of manager activities and/or rewards?



Three stories for managers in terms of salesperson competitor info:

1. Should managers probe salespeople?
2. Should managers offer knowledge sharing rewards?
3. Or both

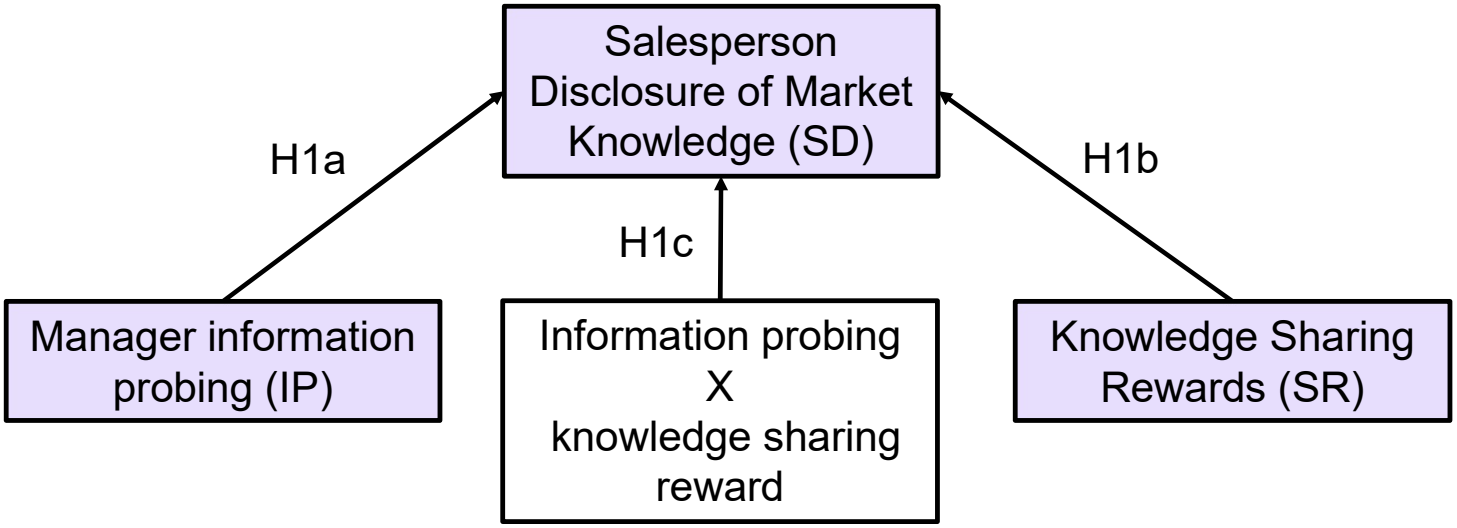


Theoretical Framework/Argument

Absorptive Capacity theory (Cohen and Levinthal, 1990)

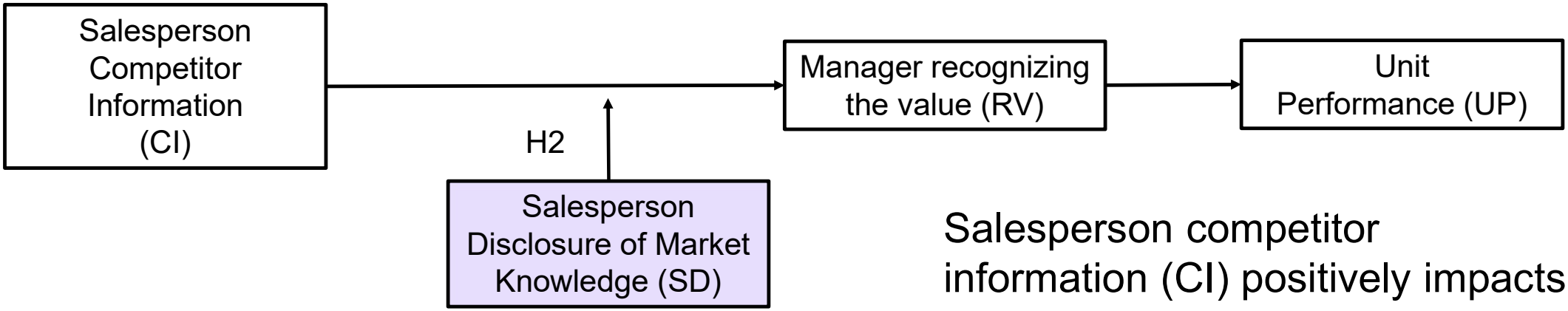
- Addresses the ability to:
  (a) recognize the value of new, external information
  (b) assimilate it
  (c) apply it to influence outcomes
  (d) disperse knowledge from individual to higher firm levels

H1: Info Probing & Knowledge Sharing Rewards on SP Disclosure



	Estimate	**2.5% CI**	**97.5% CI**
H1a	.607*	.252	.862
H1b	.588*	.133	.899
H1c	-.067	-.134	.020

H2: Competitor Info (CI) on Recognizing Value (RV) conditional on SD



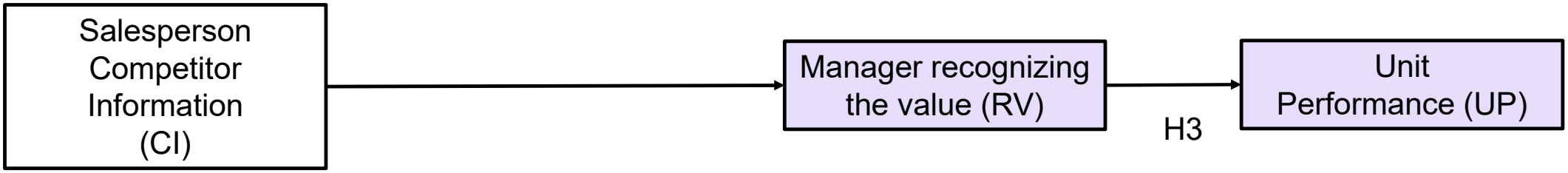
Salesperson competitor information (CI) positively impacts MGR recognizing the value (RV) at higher levels of SP disclosure.

Direct Effects	Estimate	2.5% CI	97.5% CI
CI on RV	-.069	-.583	.294
SD on RV	-.334	-1.059	.177
(CI x SD) on RV	.092*	.010	.212

Level of SD	Estimate	2.5% CI	97.5% CI
0	-.069	-.583	.294
1	.023	-.378	.312
2	.115	-.173	.332
3	.206*	.024	.364

Level of SD	Estimate	2.5% CI	97.5% CI
4	.298*	.193	.420
5	.389*	.261	.529
6	.481*	.283	.705

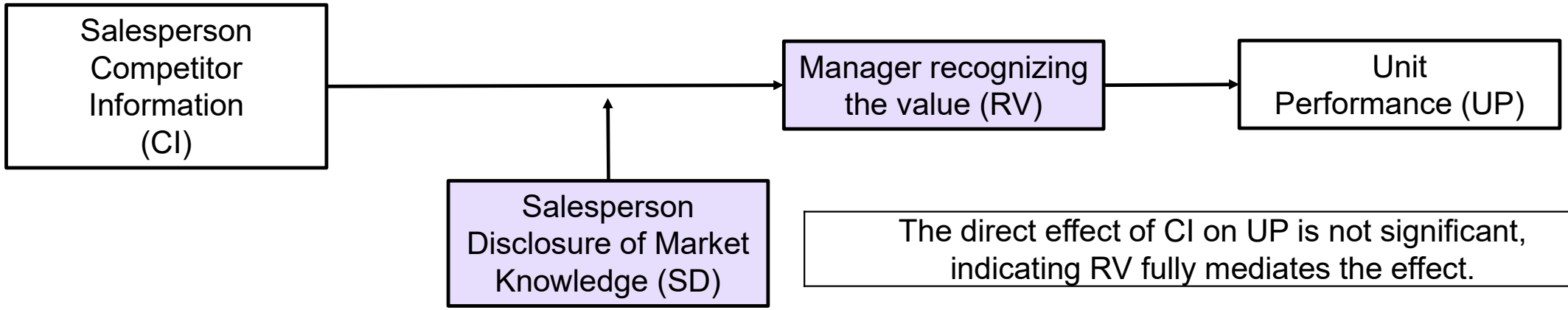
H3: Effect of MGR Recognizing the Value on Unit Performance



Effect	Estimate	2.5% CI	97.5% CI
RV on UP	.534*	.405	.758

Manager recognizing the value (RV) positively influences unit performance (UP).

H4: Indirect effects of CI on UP via RV conditional on SD



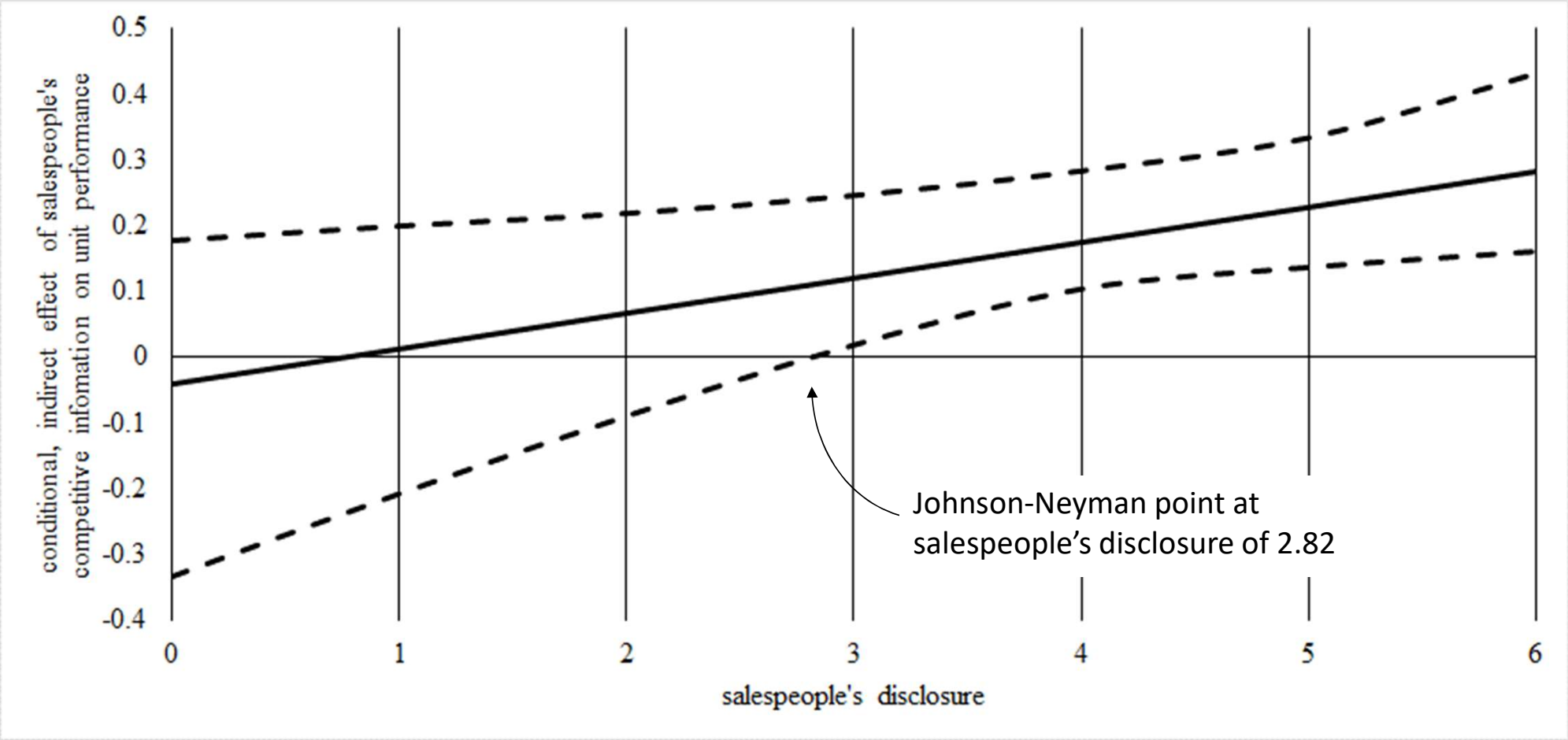
The direct effect of CI on UP is not significant, indicating RV fully mediates the effect.

Level of SD	Estimate	2.5% CI	97.5% CI
0	-.040	-.342	.185
1	.013	-.213	.200
2	.067	-.093	.219
3	.120*	.016	.243

Level of SD	Estimate	2.5% CI	97.5% CI
4	.174*	.103	.281
5	.227*	.139	.341
6	.281*	.160	.443
2.82 or higher (Johnson–Neyman point)			

Competitor information **increases** Unit Performance via MG Recognizing the Value <u>conditional</u> on SP Disclosure of Market Knowledge at 2.82 or higher.

H4: Indirect effect of CI on UP via RV conditional on SD



Competitor information **increases** Unit Performance via MG Recognizing the Value <u>conditional</u> on SP Disclosure of Market Knowledge at 2.82 or higher.

Theoretical Contributions

Counter productive knowledge behavior literature

- MGR Information probing **increases** salesperson disclosure of SP competitor information.

- Knowledge sharing rewards **increases** salesperson disclosure of SP competitor information.

- Interaction of *information probing* and *knowledge sharing rewards* (IP x SR) has no effect on salesperson disclosure of CI.

Theoretical Contributions 2:
Effects on MG Recognizing Value

- SP competitor information has <u>no direct</u> effect on MG recognizing the value,
  - Indicating that MG recognizing the value is the sole process by which competitor information impacts unit performance .
- Competitor information positively impacts MG recognizing the value only at higher levels of salesperson disclosure.

Theoretical Contributions 3: Effects on Unit Performance

- MG recognizing the value **increases** Unit Performance.
- Competitor information **increases** Unit Performance via MG Recognizing the Value conditional on SP Disclosure of Market Knowledge
  - Only at higher levels of SP Disclosure of Market Knowledge.

Managerial Implications

- Both Managers probing for information & Knowledge sharing rewards increase Salesperson disclosure of competitor information.
  - But not synergistically.
- Salespeople possessing important competitor information does not mean managers will have access to it in order to identify its value.
  - Salesperson disclosure provides the manager access.

Managerial Implications

- Salespeople possessing important competitor information:
  - Does not mean managers will have access to it nor that it will influence unit sales performance.
- SP disclosure provides the manager access which in turn increases unit sales performance.
  - But only at high levels of disclosure.
- Managers recognizing the value of competitor information **increases** unit performance.

Thank you!

Questions?

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Construct Items

Salesperson competitor information (α = 0.935)
How much knowledge does your sales force have about …
changes in competitors' promotions
competitors' product positioning
target markets of competitors
how competitors' products benefit your customers
how competitors' actions affect customer preferences
the frequency that competitors' visit your customers

Salesperson disclosure (α = 0.830)
My salespeople …
advise management of non-public information regarding their customers' business strategies
report rumors about customers' projects
report rumors about competitors' projects

Information Probing (α = 0.897)
My unit/department …
regularly holds meetings with the unit's salespeople to gather market information
frequently asks salespeople for insight about market information during sales meetings
often asks salespeople about market information informally
views salespeople as a source of market information

Construct Items

Sharing reward (α = 0.880)
We reward salespeople with …
public recognition for transmitting good information from the field
added compensation for sharing their information from the field
financial incentives for sharing knowledge from the field

Recognizing value (α = 0.904)
My unit/department …
filters out unimportant information and focuses upon the important market information
systematically assesses all of the market information provided by my salespeople
determines the level of strategic importance of market information
prioritizes incoming external market information

Construct Items

Unit performance (α = 0.952)
Relative to other sales units, rate your sales unit's effectiveness for the last 12 months on …
consistently achieving targeted sales goals and quotas
securing new accounts or customers
managing sales costs and expenses
reaching (or exceeding) overall performance objectives
carrying out company policies and programs
timeliness and completeness of paperwork/reports
developing customer trust and confidence
promptly responding to customer needs
overall effectiveness of your unit/department

Descriptive statistics and correlations of study variables (N=274 Sales Team Managers)

	Variable	Mean[a]	Standard deviation	Composite reliability	1	2	3	4	5	6	7
1	Competitor knowledge	5.63	1.14	.94	.72	.18	.27	.28	.30	.03	.04
2	Salespeople disclosure	5.30	.80	.91	.42*	.77	.16	.16	.14	.00	.00
3	Information probing	5.74	1.09	.89	.52*	.40*	.66	.22	.51	.07	.12
4	Sharing reward	5.37	.98	.90	.53*	.40*	.47*	.76	.37	.02	.02
5	Recognizing value	5.49	1.09	.89	.54*	.37*	.71*	.61*	.66	.08	.18
6	Unit performance	4.74	1.07	.95	.21*	.03	.34*	.13	.43	-.19*	.66

* significant at .05
Average variance extracted is on the diagonal.

Correlations are below the diagonal.
Shared variances (squared correlations) are above the diagonal.