



Contents lists available at ScienceDirect

## Journal of Business Research



## Sales–marketing encroachment effects on innovation☆

Tamara Keszey<sup>a,\*</sup>, Wim Biemans<sup>b,1</sup><sup>a</sup> Corvinus University of Budapest, Hungary<sup>b</sup> Faculty of Economics & Business, University of Groningen, Groningen, The Netherlands

## ARTICLE INFO

## Article history:

Received 1 November 2015

Received in revised form 1 February 2016

Accepted 1 February 2016

Available online xxxx

## Keywords:

New product development success

Sales–marketing interface

Customer co-creation

Emerging economy

## ABSTRACT

The role of sales has changed dramatically during the last two decades, with sales becoming increasingly strategic and encroaching on domains that traditionally belong to marketing. Many studies address the role of marketing in new product development (NPD) success, but research on the increasing importance of sales, its changing role and changing dynamics with marketing is scarce. This empirical study of 296 Hungarian firms addresses this gap and shows that the extent to which sales encroaches on marketing's tasks is influenced by interface relations, exchange processes and sales' capabilities. The effect of sales–marketing encroachment on NPD financial success is partially mediated by customer involvement, while its effect on market success is fully mediated by customer involvement. These findings suggest that firms may improve their NPD financial performance by letting sales encroach on marketing tasks, but need to establish customer co-creation initiatives to benefit from sales–marketing encroachment in terms of superior NPD performance compared with competitors.

© 2016 Elsevier Inc. All rights reserved.

## 1. Introduction

For several decades, the innovation literature emphasizes that successful innovation requires a clear marketing focus and a superior understanding of customer needs. Both marketing and sales have information about customers and may contribute to a customer-focused innovation process. Marketing's contribution to new product development (NPD) has received much academic attention over the last decades (Griffin et al., 2013), but much is still needed to understand sales' role in innovation (Malshe & Biemans, 2014). Studies confirm that salespeople contribute to the initial innovation stages by representing the voice of the customer (Ernst, Hoyer, & Rübbsaamen, 2010). Other researchers focus on the other end of the innovation process and show that salespeople contribute to the success of new products by promoting them to customers (Atuahene-Gima, 1997; Kaupilla, Rajala, & Jyrämä, 2010). Thus, sales plays key roles as a dual gatekeeper at both ends of the innovation process, while marketing often plays a more strategic role in innovation.

Recent studies emphasize the changing nature of sales and its increasing strategic role, resulting in sales moving in on marketing's

domain, thus blurring the traditional distinction between marketing and sales (LaForge, Ingram, & Cravens, 2009). These changes in the role of sales change the sales–marketing dynamics and the departments' respective contributions to the firm's innovation process. Previous studies of the sales–marketing interface focus on integration between the two departments (Guenzi & Troilo, 2006; Rouziès & Hulland, 2014; Rouziès et al., 2005), with several studies showing that the extent of integration between sales and marketing varies across firms (Biemans, Makovec-Brenčič, & Malshe, 2010; Homburg, Jensen, & Krohmer, 2008). In contrast to these studies, the present study investigates sales' encroachment on marketing's domain, its antecedents and its effect on NPD success, and thus contributes to the extant knowledge about sales' contribution to NPD. It uses an activity-based perspective on the sales–marketing interface by focusing on marketing activities performed by sales, irrespective of the firm's organizational configuration. The effect of sales–marketing encroachment on NPD is assessed in terms of both financial and market success. In addition, the mediating role of customer involvement in NPD between sales–marketing encroachment and NPD success is also investigated. Sales–marketing encroachment is expected to impact NPD success not only by adding specific insights to strategic marketing activities, but also by improving customer involvement. For instance, salespeople can help marketing to identify lead users, who are ideal sources of new product ideas (Piller & Walcher, 2006), or customers who may assist with prototype testing or even serve as launch customers during market introduction, all of which contribute to NPD success.

The following section presents the conceptual background and theoretical framework. Next, the study's research method and key findings,

☆ The authors are grateful for the financial support of the Hungarian Scientific Research Fund (OTKA) in conducting the mail survey. Tamara Keszey is a scholar of the János Bolyai Postdoctoral Scholarship Programme by the Hungarian Academy of Sciences.

\* Corresponding author at: Institute of Marketing and Media, Department of Marketing, Corvinus University of Budapest, Budapest, Hungary. Tel.: +36 1482 5518; fax: +36 1482 5236.

E-mail addresses: tamara.keszey@uni-corvinus.hu (T. Keszey), w.g.biemans@rug.nl (W. Biemans).

<sup>1</sup> Tel.: +31 50 363 3834.

using a sample of high revenue Hungarian firms, are presented. The article concludes with a discussion of the study's theoretical contributions, managerial implications, limitations and suggestions for future research.

2. Conceptual background and hypotheses

2.1. Sales marketing encroachment

Several authors explore and map the changes and processes that are needed to transform a sales organization into a more strategic function and implement a cross-functional sales process (Piercy, 2010). This changing role of sales results in sales encroaching upon marketing's domain. As Piercy and Rich (2009, p. 250) put it: "The culmination of these activities could be argued to change the basic strategic purpose of the sales group away from being a sales-force towards being a marketing-force."

This study conceptualizes this sales–marketing encroachment as sales' level of involvement in several tasks that are strategic by nature and traditionally belong to marketing's domain. Sales–marketing encroachment is different from sales–marketing integration, a concept that is often used in the sales–marketing interface literature (Guenzi & Troilo, 2006; Rouziès & Hulland, 2014; Rouziès et al., 2005). Sales–marketing integration focuses on collaboration and joint goals and is conceptualized as "the extent to which activities carried out by the two functions are supportive of each other" (Rouziès et al., 2005, p. 115), assuming separate and well-developed marketing and sales units. But in the case of sales–marketing encroachment sales starts to perform and contribute to activities that traditionally belong to marketing's domain, thus blurring the distinction between the sales and marketing units. Another difference between integration and encroachment is that encroachment focuses on strategic activities, while the conceptualization of integration does not specify the nature of collaboration and may also include tactical activities.

The antecedents of sales–marketing encroachment are derived from the sales–marketing literature. Although both sales and marketing aim to serve the firm's customers, and their similar backgrounds should facilitate collaboration, there is overwhelming evidence that the sales–marketing interface often lacks harmony (Beverland, Steel, & Dapiran, 2006; Dewsnap & Jobber, 2000). Conflicts between sales and marketing are grounded in (a) relational differences (e.g., different thought worlds, cultures and time orientations), (b) lack of exchanges (e.g., lack of coordination and formalization) and (c) lack of cross-functional capabilities (e.g., understanding each other's marketplace perspective and functional objectives). The conceptual model reflects this by hypothesizing that sales–marketing encroachment is influenced by relational, exchange and capability-related antecedents (Fig. 1).

Relational differences between sales and marketing are reflected by the interfunctional dynamics and the quality of the relationship, which are operationalized in terms of interfunctional trust and rivalry (Dawes & Massey, 2006). Trust is an essential element in positive human relationships and creates a collaborative environment by providing people with feelings of security and attachment (Dirks & Ferrin, 2001). Cross-functional trust is defined as the trustor's confidence in the professional capabilities and responsible behavior of the trustee (Moorman, Zaltman, & Deshpandé, 1992). Trust is an important antecedent of social relationships and effective horizontal ties within organizations and acts as a lubricant in interorganizational relationships (Arnett & Wittmann, 2014; McAllister, 1995). Sales–marketing encroachment introduces sales to strategic tasks and requires marketing to share power with them, which incorporates risk. Trust diminishes perceived ambiguity, facilitates risk-taking behavior and enhances a constructive attitude (Morgan & Hunt, 1994), all of which contribute to sales–marketing encroachment. Interfunctional rivalry, on the other hand, conceptualized as the extent to which sales and marketing perceive each other as competitors (Maltz & Kohli, 1996), is expected to reduce sales–marketing encroachment. When rivalry between sales and marketing is high, marketing may try to prevent sales from conducting marketing activities and be reluctant to

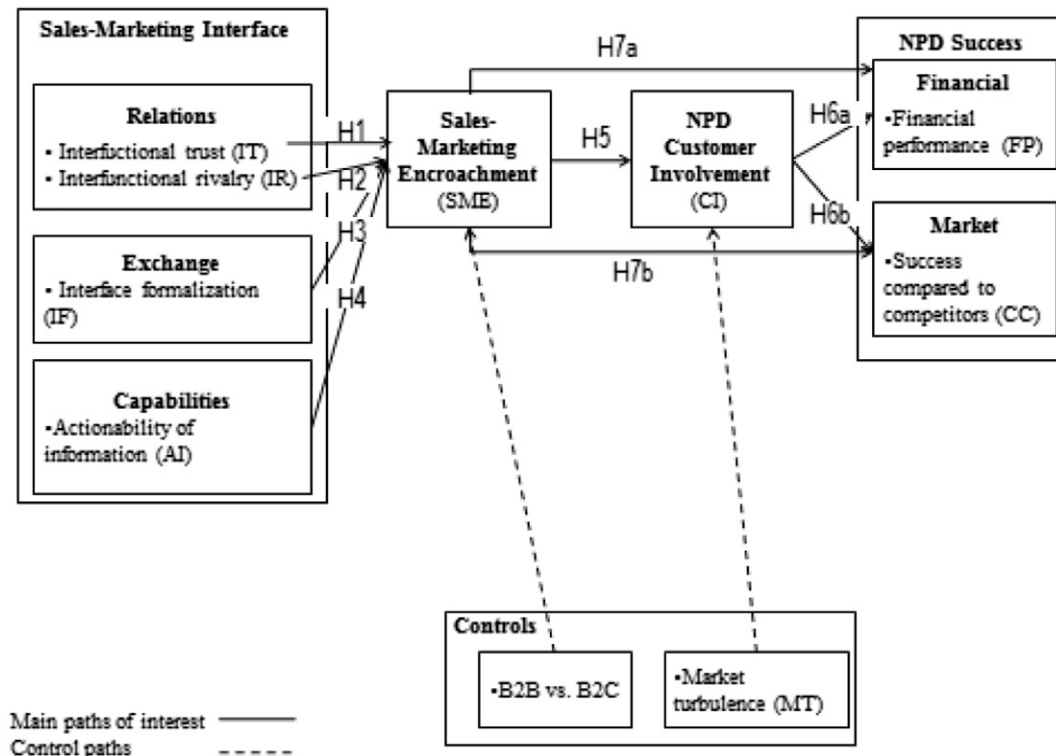


Fig. 1. Conceptual framework.

Download English Version:

<https://daneshyari.com/en/article/10492542>

Download Persian Version:

<https://daneshyari.com/article/10492542>

[Daneshyari.com](https://daneshyari.com)