Sales Manager Influence Of New Product Adoption By Their Salesforce: A Theoretical Perspective

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ABSTRACT

New product introductions are an important part of the success of many organizations, and they often hinge on the perceptions of the sales force. In turn, much of sales person perceptions are derived from managerial guidance and input. Although the extant literature has investigated some of the antecedents to the adoption of new products by salespeople, very little attention has been paid to the impact of the sales manager over this process. Using elements of social information processing, this paper explores how sales managers can exert influence over new product adoption by their salespeople.

Keywords: Sales; Sales Management; New Product Introduction; Social Information Processing

For most firms, new product introductions are very important and should be considered critical for the continuation of many companies. Successful new products account for a great deal of company profitability as well as competitive advantage within the market (Ali, 1994; Calantone & Di Benedetto, 1988; Kleinschmidt & Cooper, 1991; Sorescu & Spanjol, 2008). New product innovations have been shown to improve and significantly influence the variability of brand equity as well (Sriram, Balachander & Kalwani, 2007). Additionally, some markets (especially within the tech industry) are consistently subjected to new product introductions. These industries suffer from a great deal of turbulence as members constantly attempt to gain an advantage over the competition through product improvements (improved versions of product) and development (of new products). In these cases, companies must at the very least keep up with new product innovations to remain viable while also learning from their successes and failures of previous launches (Gino & Pisaon, 2011).

For all the benefits of new product innovation, though, successfully introducing new products to the market can prove to be a difficult task to accomplish. In the consumer packaged goods industry, for example, it is estimated that less than 5% of new product offering meet the benchmark for industry success (Hall & Schneider, 2011). Very often, innovative products require a completely new set of skills and knowledge with regard to the external market and the internal organization (McDermott & O’Connor, 2002). One critical element to successful new product introductions is the sales force. Salespeople represent perhaps the most important communication vehicle for the introduction of new products (Moriarty & Kosnik, 1989). Hultink and Atuahene-Gima (2000) show that the adoption of a new product by the sales force can significantly increase the market performance of the innovation.

The adoption of a product by the sales force is defined as “the interaction between the degree to which they accept and internalize the goals of a new product (i.e. commitment) and the extent to which they work smart and hard (i.e. effort) to achieve these goals” (Atuahene-Gima, 1997, p. 500). In the case of salespeople, a number of factors influence their commitment and effort regarding new products. For example, research has shown that issues such as the customer relationship (Fu, Jones & Bolander, 2008) and control systems (Ahearne, Rapp, Hughes & Rupinder, 2010) can impact the level of salesperson adoption of new products. One consistent influence over salesperson behavior, though, has received limited attention with respect to new product adoption: the sales manager.
With salespeople being such a key element for new product success, and new product success being a key element for firm growth and new revenue, the management of sales representative adoption becomes vital to the organization. This sales leadership can be quite important in contemporary sales organizations (Leigh & Marshall, 2001). Research indicates that sales managers can have a substantial influence over salesperson role fulfillment (e.g. Fang, Evans & Lamdry, 2005) and ethical behavior (Schwepeker & Good, 2007). Also, the moderating influence of sales management actions has been investigated in a cross-selling environment (Schmitz, Lee & Lilien, 2014). Sales managers have been shown to influence salesperson adoption of new brands through their own adoption of that brand (Weiseke, Homburg & Lee, 2008). It is therefore reasonable to consider that managers also hold influence over how salespeople handle new product introductions beyond modeling the adoption of those products.

The purpose of this paper is to expand on the existing literature by investigating some of the methods that sales management can employ to influence salesperson perceptions of new product introductions. Utilizing social information processing theory, this paper considers how sales managers can influence salesperson adoption of new products through the social context they create around the salespeople. A number of propositions as well as a discussion of these propositions are offered.

**THEORY**

According to social information processing (SIP) theory, individual employees do not make decisions about their employer and job function in a vacuum. Instead, they use the social environment and cues within the organization as a basis to help them form attitudes and expectations, particularly about ambiguous task characteristics (Salancik & Pfeffer, 1978). Only by considering the social context within which employees operate can we fully understand their behavior and attitudinal choices. SIP theory has been used to study a number of employee behaviors such as formation of work climates (Priesemuth, Schminke, Ambrose, & Folger, 2014), determinants of job satisfaction (Griffin, 1983), and justice (Goldman, 2001).

For sales people, one area of ambiguity (Salancik & Pfeffer, 1978) can occur with regard to new products and new product introduction. First, there can be ambiguity in terms of organizational expectations for the product. Second, there can be levels of ambiguity with regard to organizational commitment to the success of the product. Third, there can be uncertainty because the marketplace is the ultimate decider of the product’s success, regardless of the organization’s intentions. These three factors create uncertainty for the salesperson as any investment on his/her part into the new product (e.g. time and effort learning about it) may not lead to any recognizable gains for reasons beyond his/her control.

Although sales managers often do not enjoy a great deal of direct supervision of their salespeople, they still have a number of means at their disposal by which they can influence the social context of their salespeople. Figure 1 depicts the relationships between constructs proposed by the current research. It is posited that salesperson adoption of new products can be influenced by the sales manager through the selection, training, and socialization functions with organizational culture mediating some of these relationships.

**PROPOSITION DEVELOPMENT**

One of the most obvious ways that corporate efforts can influence the social context of the sales force is through the selection and hiring of their sales force. By selecting employees that are predisposed to certain traits that support valuing and selling new products, companies can take a significant step toward increasing the adoption of new products. In most previous research, the goal of salesperson selection is to find a salesperson that will be successful in terms of overall sales numbers (e.g. revenues, sales calls made, closed sales). One significant distinction in this research from previous work is the current research considers the problem of selecting salespeople who will promote new product developments to their customers. This added consideration to the selection process has not been directly addressed in previous research. However, existing research does provide some insights for this challenge.

The selection of employees is essentially the practice of predicting future success in a particular job function (Cron, Marshall, Singh, Spiro & Sujan, 2005). For some time, there has been significant doubt as to the viability of such predictions based primarily on the meta-analysis of Churchill, Ford, Hartly & Walker, (1985). Among the findings
of this research, the authors indicated that no one predictor of performance accounted for a high amount of variance in performance. Recently, though, a number of meta-analytic techniques have been introduced which overcome some of the limitations of that earlier meta-analysis (Cron et al., 2005). Now, researchers have renewed confidence in the predictive validity of several selection methods (Robertson & Smith, 2001).

In order to predict the future success of salespeople, a number of assessment procedures have been devised. Cron et al. (2005) categorized these various personnel assessment procedures into five domains: cognitive ability tests, personality tests, biodata, job skills/knowledge assessments, and special purpose sales assessments. Of these five categories, two do not pertain to the research question being addressed in this paper: job skills/knowledge assessments and special purpose sales assessments. These two categories of assessment relate to the sales-specific capabilities and skills that the candidate possesses. While these can be important to a salesperson's success, they do not relate to individual perceptions regarding new product introductions or adoption.

Personality tests can assess a number of different personality traits in candidates for employment. These inventories can therefore be geared to predict the individual's perceptions related to new products and new product adoption. One relevant personality trait, for example, is optimism. In general, optimism can be defined as the expectation of positive outcomes (Strutton & Lumpkin, 1993). An optimistic salesperson would be more likely to focus on the potential gains from the introduction of a new product rather than losses. Additionally, an optimistic sales person would focus on the non-sales aspects of new product introduction (being part of something new; being a good team player; understanding the future role of the new product in the marketplace). Optimism typically leads to cooperative behavior, which would result in higher cooperation with the wishes of management in regards to promoting a new product (Brissette, Scheier & Carver, 2002). In addition, optimism tends to favor a more long-term orientation and resilience (Scheier & Carver, 1985; Seligman & Schulman, 1986). These are crucial because new product introductions do not always produce immediate results and can face opposition from other employees as well as customers. Higher levels of optimism throughout the sales force will create a more positive social context regarding new product introductions.

Biodata essentially uses historical information to predict future success (Cron et al., 2005). Traditionally, items such as resumes or application forms were used in biodata collection. However, a recent trend of including items that resemble personality test questions has emerged in these efforts (Stokes & Searcy, 1999). The inclusion of these "soft" measures makes biodata more able to pick up on the tendencies of candidates to perceive new products as a positive.

Finally, cognitive ability tests may hold some small amount of predictive power with respect to individual salesperson perceptions of new products. These types of tests are among the most commonly used and are the subject of some debate as to their predictive validity (Cron et al., 2005). However, cognitive ability can be important for salespeople when a new product is introduced. A salesperson must have the ability to understand and foresee the different benefits and solutions that an innovation can provide for both the customer and the individual salesperson. Without this minimum cognition level, the salesperson will not perceive the new product in a positive light.

Put together, these assessment procedures represent an opportunity for management to screen and select appropriate employees who will be inclined to perceive new products as opportunities instead of potential risks. This optimistic reaction by the individuals stimulates a more positive social context that embraces new product introductions. Not all of these techniques are equally effective, though. Clearly, personality tests and some biodata would be more useful than the other assessments discussed here. Companies can more effectively choose salespeople by focusing on the more productive assessment procedures.

**P1:** Selection methods that more heavily involve personality and biodata measurement over other assessment procedures will increase salesperson adoption of new products.

As new products are introduced by a company, it becomes necessary for that company to train its sales force on these products. The sales force must have some level of minimum knowledge regarding a new product in order to properly adopt and market it. Research has shown that training is a significant factor in distinguishing successful new product introductions from unsuccessful new product introductions (Di Benedetto, 1999). Training, however, should not merely be considered as a means of conveying information to the sales force. Training should also represent an
opportunity to influence the perceptions and group dynamics of the sales force in a number of ways. First, training can be used to increase the self-efficacy of the salespeople with regard to the new product. In general, self-efficacy is an individual's judgments of his or her capabilities to achieve a targeted performance level (Bandura, 1986). Self-efficacy has been found to be positively associated with a number of work tasks in various settings (Mathieu, Martinez & Tannenbaum, 1993). Fu, Richards, Hughes, & Jones, (2010) link new product success to feelings of self-efficacy from the sales force. In the context of selling a new product, self-efficacy will significantly influence the salesperson's perceptions of that product. If the salesperson has a higher belief in his or her ability to successfully sell the new product, then the perception of probable gains is increased while the probability of losses is decreased. A lack of self-efficacy with respect to a new product, however, will likely result in a negative perception of that product. These perceptions of likely success create an atmosphere of anticipation of the benefits of the new product rather than dread.

There are a number of design decisions to be made when introducing a new training effort. Management can facilitate the development of self-efficacy of the sales force by incorporating certain elements into the new product training. For example, feedback plays a significant role in the development of self-efficacy (Karl, O'Leary-Kelly & Martocchio, 1993). In particular, learners who experienced positive feedback displayed the greatest increase in self-efficacy. In addition to feedback, Gist and Mitchell (1992) posit that modeling and experience can be effective training techniques for increasing self-efficacy. Therefore, training that includes all of these particular design items will be more likely to contribute to self-efficacy. This self-efficacy increases the expectancy associated with selling and adopting a new product.

P2: Training that includes positive feedback, modeling, and experience will increase salesperson adoption of new products.

While the individual perceptions of the sales force regarding new product introductions can be influenced directly by sales managers, this is not the only source of influence over those perceptions. The organizational culture also holds influence over the prescribed reactions to various developments within the organization. Organizational culture has been defined as "the pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them with the norms for behavior in the organization" (Deshpande & Webster, 1989, p. 4). From this definition, it is clear that organizational culture influences behavior by creating norms for the individuals within the organization. The stronger the culture, the less likely it is that members of the organization will deviate from these norms.

Organizational culture also serves a second function that influences perceptions; organizational culture influences how information is processed within the company (Moorman, 1995). The manner in which information is processed dictates what decisions are made based on that information. Indeed, organizational culture provides somewhat of a perceptual filter by creating a common cognitive context for members (White, Varadarajan, & Dacin, 2003). This filter can alter which information the salesperson holds as a priority and which is dismissed as irrelevant. Also, culture can create a number of unquestionable assumptions within the members of the organization (Schein, 1984). Through its influence on behavioral norms and information processing, one can conclude that organizational culture is capable of influencing individual perceptions of new products by salespeople.

P3: An organizational culture that encourages new products will increase salesperson adoption of new products.

Not only do sales managers have the opportunity to directly influence the perceptions of salespeople regarding new products, they can also influence them indirectly through a manipulation of the organizational culture within the sales department. By effectively creating the correct culture, managers can influence how salespeople react to new product introductions. From the manager's viewpoint, the relevant question becomes how to accomplish this goal of influencing the organizational culture.

According to Schein (1990), organizational culture is a function of shared learning and history that is developed over time. As a group learns what is successful and unsuccessful in accomplishing various goals, these lessons serve as a big part of the perceptual filters that organizational culture creates. The more a certain lesson is reinforced, the more that idea becomes an unquestioned belief. Related to this learning, a shared history within a group also contributes
heavily to its culture. The more experiences that members share in common, the more likely a common culture will develop. Additionally, more shared experiences regarding successful new products will lead to an organizational culture that welcomes innovations.

For firms that regularly introduce new products, sales force training becomes the norm. Sales agents have to be updated on the relevant information of new products such as price and potential benefits to customers. Recent research posits that training is as much a social experience as it is about specific individual skills (Gallivan, Spitler & Koufaris, 2005). Training has been shown to have a number of benefits to the organization as a whole as well as the individual learners (Aguinis & Kraiger, 2009). Training has been shown to have a number of benefits to the organization as a whole as well as the individual learners (Aguinis & Kraiger, 2009). Managers can use these corporate training sessions as opportunities to influence the culture of the organization. Given the typically high autonomy of salespeople, training provides one of the few shared experiences common to the entire sales force. These shared experiences contribute to the organizational culture. This training does not necessarily have to share a common geographical location since web-based instruction has grown in use. The main key is that the training is a shared experience.

Since history is another determinant of organizational culture, training should involve lessons from the present as well as lessons from the past. By bringing up these historical lessons in training, management is able to solidify these experiences and further the sense of a shared history amongst the members of the sales force.

P4: Training that involves a shared experience and historical lessons will contribute more heavily to organizational culture that supports new product adoption than training that does not include these design elements.

There is a considerable amount of research in industrial-organizational behavior regarding the socialization of new employees. While there are a number of dimensions that have been theorized as leading to different levels of socialization, the dimension that seems to have yielded the most results is the level of institutionalization (Kim, Cable & Kim, 2005). In order to create a common history and learning experiences, some firms choose to engage in highly institutionalized socialization practices (Jones, 1986). By doing this, firms can decrease the likelihood of unique experiences by the employees where an organizational culture other than the one promoted by management is learned. One of the main goals with these highly institutionalized socialization tactics is reducing uncertainty regarding some work functions (Kim et al., 2005).

While much of the literature focuses on the experience of the newly hired employee, it stands to reason that these formal socialization processes would reinforce and promote the organizational culture with veteran employees as well. According to Bjorkman, Barner-Rasmussen and Li, (2004), multinational corporations (MNCs) often concentrate on socialization to achieve a shared culture across units. In many ways, sales departments share similar traits with MNCs with rather autonomous units (sales agents) and varied cultural backgrounds. Therefore, the use of institutionalized socialization tactics serves to promote an organizational culture for new employees as well as incumbent employees.

P5: The use of highly institutionalized socialization tactics will contribute more heavily to organizational culture that supports new product adoption than non-institutionalized socialization.

DISCUSSION

This research holds the potential for a number of contributions to sales research and practice. First, this is an under-researched yet important topic in the marketing literature. Some research has addressed the importance of the sales force and their adoption of new products (e.g. Moriarty & Kosnik, 1989; Hultink & Atuahene-Gima 2000). However, empirical testing of the antecedents of sales force adoption of new products is still in its early stages with limited findings. Further, research of the direct influence of the sales manager over this adoption process of salespeople is practically nonexistent. This paper seeks to resolve this issue by specifically examining how to increase new product adoption by salespeople through actions of the sales manager.

Second, this paper explores the influence of the social context of the sales force. Like other employees, salespeople do not make their decisions in isolation. There is a social environment that provides cues for acceptable and unacceptable behavior. Given the high amounts of autonomy and independence they often enjoy, sales agents can and often will choose how to accept a new product with little concern of reprisal from their supervisor (as long as they
are meeting their quotas). This makes it difficult for sales managers to always rely on control mechanisms to accomplish new product goals. It is vital to understand the dynamics of this social influence over salesperson behavior and how to harness it to the accomplishment of the goals of the organization.

Third, for practitioners, this research holds the potential for increased effectiveness of new product introductions. Since sales agents are vital for the success of new products, it is important to have their support for innovative new products. By understanding how to influence their perceptions of new products, these roll-outs can be made more effective and have higher prospective for success. Finally, this research can potentially increase the efficiency of sales managers. In establishing the most important influencers of salesperson perceptions, managers will be able to concentrate resources in the most effective way possible to garner the most impactful results.

With new products often times carrying the load of company profitability, salesperson perceptions of new products can be critical. The current research proposes that management can influence salesperson adoption of new products directly and also indirectly through a number of their normal functions. This influence can then greatly contribute to new product as well as organizational success.

Figure 1.

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