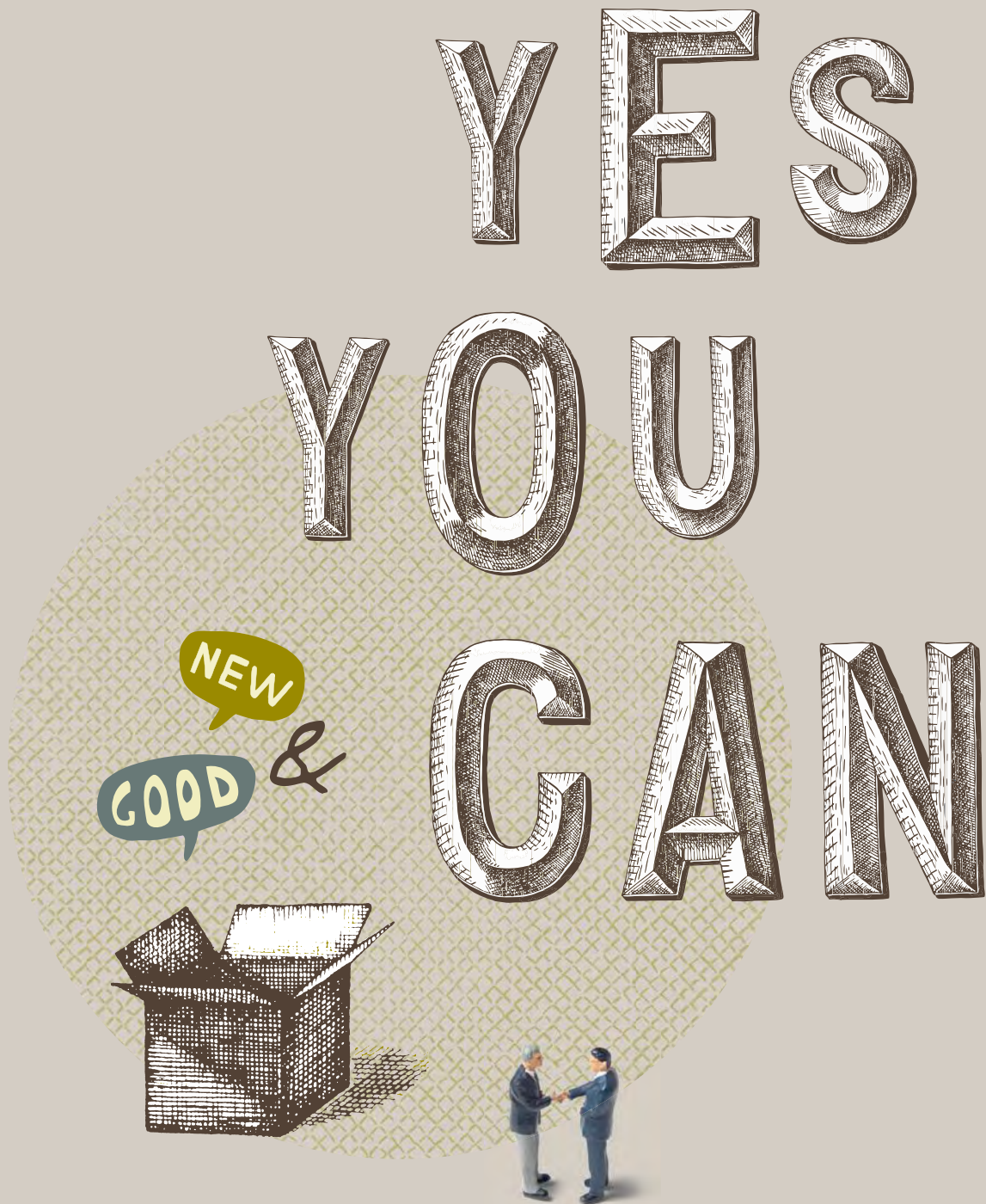




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But how can managers motivate salespeople to sell new products?

Motivating Salespeople to Sell New Products: What Makes Them Try Harder to Spur on Sales?

Managerial Summary by GfK-MIR

KEYWORDS

*Sales Force, B2B Marketing,
New Products, Sales Management,
Motivation, Managerial Influence*

It is therefore in companies' interest to support their sales force to enable them to fulfill this key task. But how can managers motivate salespeople to sell new products? Managers are faced with the dilemma of where to allocate resources for motivating salespeople to sell the new product. Salespeople often operate in a relatively autonomous environment without close monitoring of their day-to-day activities. They enjoy a considerable degree of discretion in terms of what they focus on and how they proceed. This creates obvious challenges for management during a tactical initiative such as a new product launch.

Trying harder leads to higher performance /// According to a study on the sales of two different innovations at a global industrial company, the recipe for high sales performance is fairly straightforward: if salespeople are willing to try harder, their higher levels of effort lead to higher performance. It is therefore crucial to know what determines the selling intentions and effort of salespeople in a new product context. If management is successful in raising the intention to make an effort, the sales activities are more likely to result in both earlier and more effective sales calls, which will in turn foster early adoption.

How can selling intentions be improved? Perhaps the simplest and most popular solution for managers is to pay considerable management attention to salespeople and convey opportunities for promotion and career advancement for those who are meeting and exceeding established expectations. The communication of high managerial expectations causes "subjective norms", a kind of social pressure to be successful. Manage-

Product innovation has become increasingly important as a means for ensuring a competitive advantage, growth and financial success in today's ultracompetitive business environment. To build a competitive advantage, pay off its development and start-up costs and to generate cash to fuel further growth, it is desirable for sales to grow quickly. In B2B markets, in particular, the sales force plays a key role during the introductory phase. In a business-to-business context, customers primarily learn about new products from company sales representatives. Facing unfamiliar new products, customers are usually suspicious of their professed benefits, reluctant to change their buying behavior, and dependent on salespeople for product advice. Qualified and committed salespeople provide the information needed to reduce customers' confusion and employ the most appropriate selling tactics to persuade their customers.

FIGURE 1:
Impact of motivational strategies on sales performance

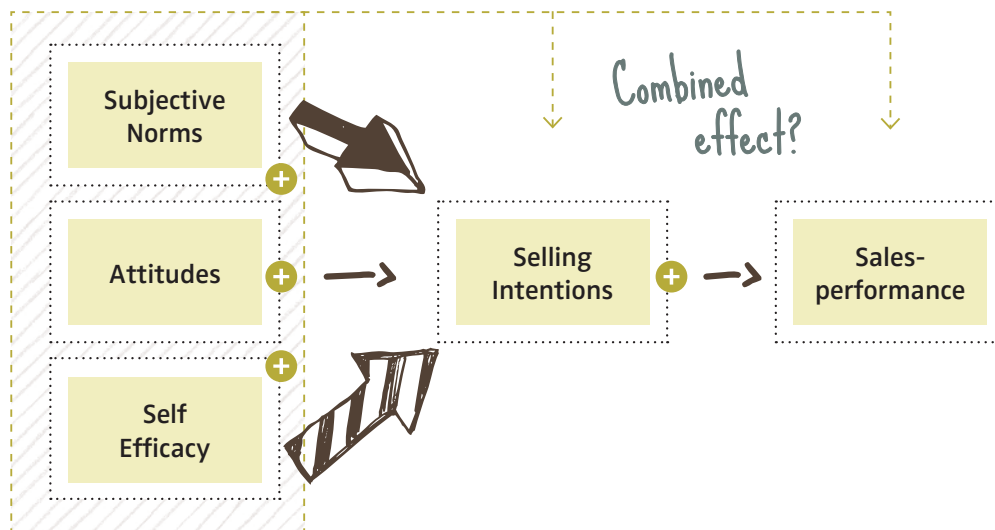
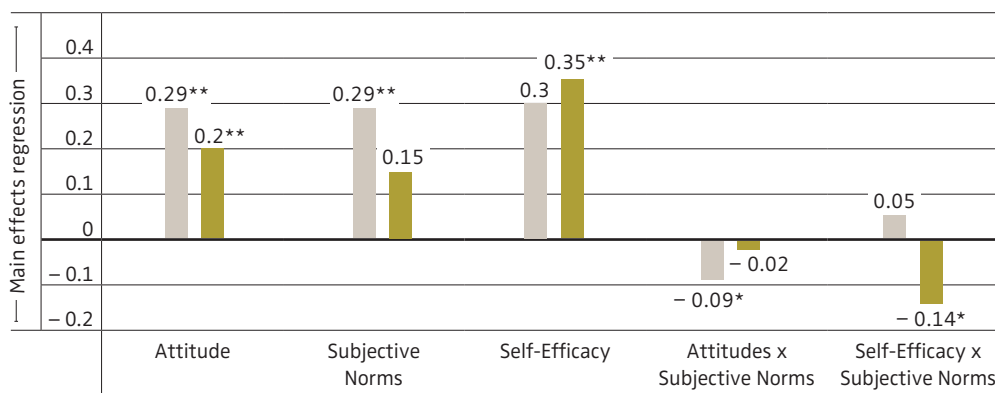


FIGURE 2:
Regression coefficients of motivational strategies and their interaction



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Rather than motivating the self-dependent salesperson, normative pressure adds counterproductive layers of stress and doubt.

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ment assumes that willingness to comply with expectations as well as competition among peers motivates salespeople to try harder. In Figure 1, this type of motivational strategy is reflected in “*subjective norms*” which salespeople perceive.

A positive attitude towards selling the new product beats pressure /// The approach where a climate of raised expectations is created, and competition relies on the principle of extrinsic motivation: people act in response to something apart from the work itself, such as a reward or recognition from others. An alternative approach would be to count more on the principle of intrinsic motivation. In this case, salespeople would be more motivated by their work itself. They consider the task of selling the new product rewarding, enjoyable and interesting for its own sake. Instead of raising expectations, it would be more effective for management to increase the inherent attractiveness of selling the new product, or to increase the salesperson’s belief in his or her ability to sell the product. Such a strategy would be reflected in a more positive “*attitude*” towards their selling-task and a higher perceived “*self-efficacy*” in the process of selling.

The study combined survey data and company records on sales over a period of more than 400 days and found that all three forms of motivation worked for a construction product that was new to the market (see Figure 2). For the second product, a line extension, significant effects could only be observed for activities related to intrinsic motivation. However, norms and expectations acted as a wolf in sheep’s clothing. Their effect was positive on motivation to perform, but also led to less evident undesirable effects on sales per-

formance. Subjective norms dampened the effect of positive attitudes towards selling the new products. In the case of the new-to-market product, the salespersons’ selling intentions were less likely to produce strong growth rates when social pressure to sell the products was perceived as very high.

The authors conclude that in the presence of strong subjective norms, positive attitudes are less likely to drive selling intentions. Further, the positive impact of self-confidence and self-efficacy seems to weaken. “Rather than motivating the self-dependent salesperson, normative pressure adds counterproductive layers of stress and doubt”, It is likely to engender a ‘have to do’ as opposed to a ‘want to do’ mentality, in which the salesperson develops behavioral intentions but then follows through with reduced interest and vigor.” Thus, although subjective norms may have the desired effect of influencing a salesperson’s intention to sell a new product, those intentions may be less likely to translate into actual performance in the presence of strong subjective pressure.

Managerial Implications

- According to the study, social pressure acts as a double-edged sword. It increases motivation but diminishes the positive impact of attitudes (for the new-to-market product) and self-confidence (for the line extension) on selling intentions. Further, in the presence of high managerial expectations (subjective norms), the motivating influence of a favorable attitude toward selling a new product is diluted for new-to-market products. Consequently, managers should focus on increasing the inherent attrac-

tiveness of the new product as well as the sales force's confidence in selling it to increase sales volume quickly. Despite their legitimate power over salespeople, managers should apply normative pressure judiciously because of its severe drawbacks during a new product launch. Managers who use pressure may be fooled by signs of compliance in the development of selling intentions, but these same norms will ultimately damage new product performance.

- Rather than building pressure during a new product launch, sales managers should focus on strengthening a salesperson's selling intentions by creating positive attitudes about the launch as well as heightened feelings of self-confidence and self-efficacy. To accomplish this, managers should emphasize the innovative and differentiating aspects of the new product in internal communications, regardless of whether the new product is completely new or a line extension. In addition, they should attempt to increase salesperson familiarity with targeted customer segments and appropriate selling techniques through the use of training, selection, and customer relationship management tools. Treating salespeople as the first "customers" and reinforcing positive behavior in early attempts to sell the new product should result in improved attitudes, motivation to sell and, ultimately, better new product performance.

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