

MARKETING'S INFLUENCE IN NEW PRODUCT DEVELOPMENT: INTEGRATING EXISTING POWER-BASED THEORIES

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ABSTRACT

Marketing's role in new product development as a powerful participant can be attributed not only to its conventional position in the process, but also to underlying contributors of political and systemic power. As new product development is understood to be important to the continued growth of an organization, this study focuses on influence dynamics in decision-making surrounding the process of developing new products (Brown and Eisenhardt 1995).

Influence tactics are considered to be a way in which managers are able to make strategic decisions to overcome challenges within their domain. Influence dynamics in decision-making has certainly been a topic of interest in strategic decision-making (Kohli 1989; Venkatesh, Kohli, and Zaltman 1995), however, there has been little research done to explore influence tactics used by marketing managers in the new product development process (Workman 1993). We explored the use of influence tactics related to resource power (expert power and information control) and systemic power (power imbalance, functional integration, and formalization) of NPD activity. We believe that exploration through empirical study of marketing managers using influence tactics in NPD to achieve desired outcomes will provide additional insights into marketing's role in the process of new product development.

This study has two objectives. First, we investigate the antecedents of marketing's resource and systemic power sources. Evidence from previous studies (Brass and Burkhardt 1993; Pfeffer 1981; Thompson and Luthans 1983; Yukl, Kim, and Falbe 1996) suggest that power is the main antecedent of influence tactics, but there has been limited examination of marketing's power source of influence tactics, particularly in the area related to the organizational system (Astley and Zajac 1991; Gresov and Stephens 1993; Phillips 1997). This study explores the mediating aspect of organizational systems and the power sources on marketing's influence.

The second objective of this research is to extend the literature on understanding power sources within an organization with a focus on the new product development process to explore the degree to which influence tactics mediate the effects of power sources.

Conceptual Framework

The framework developed and tested in this research study consists of two sources of power. These two sources of power are resource and systemic, both acting as antecedents to five marketing influence tactics. Marketing's influence has been defined as the perceived impact on NPD decision-making reflecting any actual behaviour and actions of members of the NPD team brought about by the marketing participant. Influence tactics describe any activities of a team member used to enhance the acceptance of his/her viewpoints. The influence tactics tested in this study are: recommendation, information exchange, assertiveness, upward appeal and coalition. The framework is conceptually grounded in two perspectives: resource dependence (Emerson 1962; Pfeffer 1981) and organizational politics (Brass and Burkhardt 1993; Frost and Egri 1991; Pfeffer and Salancik 1978). Eight major hypotheses were developed and tested.

Sample, Data Collection, and Measurement Testing

The sample consisted of high technology firms from Australia. Four hundred and seventy-two R&D managers were identified and after two follow-up efforts by mail and telephone, 122 usable questionnaires were received for a 26 percent response rate. Nonresponse bias was examined by comparing early and late respondents on the study variables and several sample characteristics. Measures of the constructs were grounded in the extant literature (Kipnis, Schmidt, and Wilkinson 1980; Kohli 1989). After conducting two factor analyzes with varimax rotation to examine the constructs, it was found that the measures have convergent and discriminant validity. Each scale had acceptable reliability as measured by Cronbach alpha.

Selected Findings and Implications

Consistent with our predictions, the findings show that power sources affect influence tactics and that each power source and influence tactic has independent effects on marketing's influence. Our findings also indicate that functional integration prompts acceptance of marketing viewpoints by ensuring effective communication and cooperation in the NPD process. This research holds important implications for marketing's role in NPD decision-making research. Scholars and managers should

consider power sources and influence tactics simultaneously for a more complete understanding of marketing's influence in NPD. The implications of these results are that power is best reflected not only in its acquisition in

terms of resources (expertise and information control) but also on its loss (power imbalance), its neutrality (functional integration) and its gain or loss through the division of functional roles and responsibilities.

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