KEY ACCOUNT VS. OTHER SALES MANAGEMENT SYSTEMS: IS THERE A DIFFERENCE IN PROVIDING CUSTOMER INPUT DURING THE NEW PRODUCT DEVELOPMENT PROCESS?

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While the introduction of a new product or service carries considerable risk, incorporating customer input into the new product/service development (NPD) process increases the probability of commercial success. In their boundary spanning role, industrial (B-to-B) salespeople are well suited to serve as a conduit between customers and those inside their company who are largely responsible for the NPD process. The current study investigates the perceptions of sales managers and examines the role the sales force may play in the early stages of the NPD process. An empirical analysis is conducted to determine whether differences exist between organizations that employ key account management (KAM) systems and those that do not employ KAM systems. The findings of this study suggest that salespeople from KAM organizations are better suited to provide input into the NPD process than their non-KAM counterparts.

INTRODUCTION

During times of economic uncertainty, the need for product/service differentiation through innovation becomes increasingly important. More than ever, companies that are adept at innovation and commercialization will hold a competitive advantage in the marketplace. In several recent studies involving leading manufacturers and top level executives, launching new products remains the most important driver for organizational growth (Preez, Schutte and van Zyl 2007).

Berkowitz, Wren and Grant (2007) estimate that 35-plus percent of firm revenues come from products that did not exist five years ago. While a large portion of sales for many firms continually comes from new products (Jain 2007), improving the new product/service development (hereafter referred to as new product development or NPD) process and the resulting commercial success remains a daunting task. Depending on the source, the failure rate for new products continues to be alarmingly high, ranging from 40-to-90 percent (Cannon 2005; Clancy and Stone 2005; Stevens and Burley 2003). Further, results of a recent study by the Product Development & Management Association reveal that sales from new products had declined even though R&D spending had remained constant (Edgett and Cooper 2008), reinforcing the notion that the current state of new product development could be characterized as 'abysmal.' (Jusko 2007) In cases where organizations are innovating, minor innovations make up the lion's share of such efforts (Day 2007).

Today's marketers are simultaneously faced with understanding customer needs in new ways while bringing innovative products to market at an ever-faster pace (Olivia and Donath 2008). Capturing the voice of the customer during the new product development process translates into product offerings with a greater probability of commercial success

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(Ciappei and Simoni 2005). Indeed, the majority of successful innovations in diverse industries such as snowboarding, petroleum processing, software, and outdoor consumer products were originally developed with large participation by intended customers (Schreier and Prugl 2008). Leading companies continue to undertake efforts aimed at developing deep, long-term relationships with customers, engaging them in ongoing interactive and relational activities as it relates to all aspects of the NPD processes (Alam and Perry 2002; Yakhief 2005). However, merely engaging customers in the NPD process is not enough; customer input must be integrated into the NPD process as early as possible to avoid costly mistakes later on (Koufteros, Vonderembse and Jayaram 2005).

Unfortunately, most organizations are failing in their efforts to actively integrate customer input into their marketing strategy processes, including the early stages of NPD. Barczak, Griffin and Kahn (2009) report that idea generation and management of the system remain poorly monitored during the NPD process. Cooper (2003) and Osborne (2002) find that lack of communication with customers early in the NPD process is leading to product development delays and/or failures in many cases. Brandt (2008) in a study on the voice of the customer, reports that more than 75 percent of managers surveyed indicate their organizations were having difficulties in both integrating the voice of the customer into operations and taking action based on the voice of the customer. A seemingly self-evident truth is that in order for firms to become more customer-oriented, these organizations must actually integrate customers into a greater number of activities. As proposed by Akamavi (2005) and McMahon (2008), companies should no longer seek to create value for the customers, rather, firms must seek to co-create value with their customers.

While firms may look to various strategies to capture the voice of the customer during the early stages of the NPD process, the sales force should be viewed as a primary resource for actively soliciting and gaining customer involvement. Salespeople serve as boundary spanners by interacting with customers as well as organization members and observing the external environment. In recent years, the role of a salesperson has evolved from being a spokesperson for the selling firm’s product to that of a consultant for the buying firm (Sheth and Sharma 2007). As such, the industrial (B-to-B) sales force has the ability to become a trusted partner with the buyer. The sales force, through their boundary spanning roles, is usually the primary source of information about customers for the rest of the organization (Pelham and Lieb 2004). Foster and Cadogan (2000) conclude that the quality of the relationships customers build with salespeople positively influences the propensity to conduct business. Piercy and Lane (2005) report that achieving strategic differentiation with key customers requires a strong buyer-seller relationship that focuses on the sales force.

For many organizations, the sales function has become a key strategic issue. Indeed, as stated by Gilbert (2007), “A radically changed business environment requires that management views the sales function in a radically different way than what has been prevalent (and productive) for the past three or four decades.” As such, the current study begins with a review of the body of literature surrounding the roles the sales force may play in the early stages of the NPD process. The study seeks to understand if organizations with key account management (KAM) systems provide a competitive advantage to organizations when the sales force serves as a conduit in the early stages of the NPD process. An empirical study examines differences between KAM organizations versus other non-KAM organizations and investigates: (1) the extent to which salespeople are involved in the idea generation stage of the NPD process, (2) the outcomes of such involvement; and, (3) barriers to successful use of salespeople to gather information and market intelligence.

BACKGROUND

Marketing and sales managers share a major responsibility in creating a fair return on value for customers (Anderson, Kumar and Narus 2008) and many of these contributions take place during the NPD process as new offerings are developed and launched. Market uncertainties, intensified competition, and an ever-changing technological landscape, however, are presenting unique challenges to firms seeking to utilize the sales force and involve customers in the NPD process (Hultink and Atuahene-Gima 2000). Within the extant body of literature for salespeople involvement in the NPD process and the degree to which organizations utilize this potentially valuable resource, there has been little, formalized research conducted to date.

Sales Force Involvement in the NPD Process

Too little attention remains given to the opportunities and challenges associated with interaction between the sales force and marketing (Williams and Plouffe 2006). Past studies support the notion that a participative approach and a clear strategic direction are vital to the NPD process (Tracey 2004; Kahn, Franzak, Griffin, Kohn and Miller 2003). Researchers have also argued that major customers are a significant source of new product information for companies (Von Hippel 1989). In addition, salespeople can effectively assess market information (Lambert, Mammorstein and Sharma 1990) and be a source of many new ideas (Cross, Hartley, Rudelius and Vassey 2001). Furthermore, marketing managers often have an opportunity to form alliances with salespeople and gain access to customers' minds (Carpenter 1992). In order to capture useful customer data, however, Sanghani (2005) concluded that greater involvement of the sales force in the NPD process is necessary. A customer centric culture within an organization can offer a competitive advantage when information systems are developed and customer feedback and satisfaction levels are conveyed to appropriate entities (Arnett and Badrinarayanan 2005; Leigh and Marshall 2001). However, in order to achieve a seamless integration, priorities of the sales and marketing functions must be aligned, which too often may not be the case (Matthyssens and Johnston 2006)

Typically, the salesperson does not become involved in the NPD process until the later stages at which point they are assessing customer reaction to and use of new products prior to the launch of a new product or immediately following a launch (Rochford and Wotruba 1993; Michael, Rochford and Wotruba 2003). However, there is a strong argument for involving salespeople much earlier in the NPD process. Strong communication between an organization and its external partners (e.g., customers) can facilitate the exchange of information critical to successful NPD activities (Bonner and Walker, Jr. 2004). In addition, new information technology now facilitates information-sharing (Langerak, Peelen and Commandeur 1997) and teamwork/ collaboration are requisite for success (Lynn and Akgun 2003).

A study by Gordon, Calantone, Di Benedetto and Kaminski (1993) further supports the involvement of the sales force early in the NPD process by finding that customers in the telecommunications industry viewed salespeople as more important information gathering resources than personnel from any other department. In addition, Sanghani (2005) found that by utilizing the sales force's knowledge and field expertise, TransUnion was able to greatly improve the identifying, building, and launching of new products. Likewise, companies such as General Electric, IBM Consulting, General Mills, and SC Johnson (Anderson, Narus and Van Rossum 2006) have also experienced success by utilizing the sales force at an earlier stage in the NPD process. Ritrama, Inc., a manufacturer of pressure-sensitive films and specialty paper, is a company that trains each salesperson to identify future customer needs and market trends (Boyle 2004).

The Importance of Sales Force Training and Incentives

In many cases, salespeople may need special skills and have to put forth extra effort to successfully engage in the early stages of the NPD process. As the firm evolves into a customer-focused organization and sales managers and salespeople are expected to assume a more strategic role, adapting to change becomes part of the requisite skill set (Homburg, Workman and Jensen 2000). Anderson, Mehta and Strong (1997) determined that of the major topics covered in sales training programs, there is no explicit mention of the NPD process.

Increasingly, salespeople are being asked to adopt technologies such as sales force automation (SFA) and customer relationship management (CRM) that could aid in the flow of information from the customer to areas within the organization. According to Buehrer, Senecal and Pullins (2005), lack of management and technical support was the greatest barrier to the use of these systems and training was most effective in increasing usage. Likewise, Liu and Comer (2007) acknowledged that salespeople are in a vantage position to garner intimate information from customers, however, training and upper management support are necessary requirements in order for salespeople to use the information retrieval aspect of their CRM systems which can relay information to others within the organization.

Obtaining access to the information can be challenging and may require incentives that encourage members of the sales force to relay pertinent feedback to appropriate areas. Interestingly, Zahay, Griffin and Fredericks (2004) found that valuable customer information collected by the sales force may simply reside as mental notations instead of within formal files of CRM systems. Gordon, Schoenbachler, Kaminski and Brouchous (1997) conclude that the sales force is not a reliable source of customer information in the NPD process due to the lack of structured systems and effective incentives that might encourage information gathering and reporting to appropriate area(s) within the organization. Most successful salespeople are competitive by nature and respond to pay structures and contests that are incentive-based (Shinnick 2007). Both monetary remuneration and personal recognition would serve to increase the flow of information from salespeople back to appropriate areas of the organization during the NPD process. From the perspective of the NPD process, Kleinschmidt and Cooper (2004) found that 44.8 percent of the best performing companies provided rewards or recognition to those who submitted new product ideas while all of the worst performing companies provided no rewards. Overall, only 23.1 percent of all businesses provide rewards to their employees for providing feedback during the NPD process. The vast majority of employee incentive programs primarily reward sales of existing products and do little to motivate the sales force to spend time with the NPD team, learn about user developments and needs, or buy into product development strategies as a whole (Withers 2002).

Counterargument to Involving the Sales Force in NPD

Even though much research supports the notion of salespeople as an information source, many academics and practitioners have argued against it for three reasons. First, some believe the sales force is too focused on individual customer needs and blind to the future (Kotler, Rackham and Krishnaswamy 2006). Second, regardless of whether marketing were to encourage inclusion, salespeople and sales managers are not equipped with the requisite job skills needed to effectively participate in the NPD process (Anderson, Mehta and Strong 1997). Third, even if the sales force is successful in acquiring meaningful information, there is no assurance that this information will be communicated to relevant personnel and departments in a timely manner. Sales, marketing, and R&D integration is critical to ensure that overall organizational goals, as they relate to the NPD process are reached. Organizations need effective means to not only capture relevant information/intelligence but also to disseminate, retain, and access this knowledge quickly (Day 2002).

Are Key Account Managers Better at NPD?

Organizations utilizing key account management systems of sales structure have become increasingly important (Boles, Johnston and Gardner 1999) and more prevalent (Plouffe and Barclay 2007). The growing occurrence of key account management (KAM) derives from the fact that a few powerful customers can control an important portion of a supplier's revenues and profits (Gosselin and Bauwen 2006). Are key account management managers better suited at NPD? Advocates argue that the answer is yes; the key account management process is superior to alternative sales processes when it comes to NPD. This type of sales organization, regardless of whether it is labeled a major account, key account, global account, or national account management organization, is one that has its primary focus on the importance of customers. Key account management organizations are created under the premise that customer companies with more current and potential sales over time are of significant importance and, as a result, merit special attention (Ingram, LaForge, Avila, Schwepker and Williams 2004). Weitz and Bradford (1999) state that the primary goal of key account managers is to optimize fit between the suppliers' value offer and customers' needs.

In an effort to develop a win-win situation for both vendor and customer, Napolitano (1997) was one of the first to outline the responsibilities of the KAM organization which include choosing value drivers, maintaining comprehensive profiles of customer needs and wants, and focusing on mutually beneficial growth opportunities. Homburg, Workman, Jr. and Jensen (2002) recognize that the increasing role of KAM is one of the most profound changes in sales. To-date, research into the area remains limited (Hughes, Foss, Stone and Cheverton 2004). Additionally, Honeycutt (2002) concluded that firms in the global marketplace that modify their approach toward key customers from a one-time transaction to a longer term view tend to experience greater success. As part of their responsibilities, key account managers communicate the customers' issues to foster innovative solutions, support customer orientation, and ultimately increase the fit between their organization's value offer and customers' needs (Georges 2006). Toward this end, joint R&D projects are becoming more typical between a selling company and a key account in industrial and high-tech markets (Ojasalo 2001).

Any discussion of KAM would be remiss without recognizing associated limitations of this type of sales process. Lane and Piercy (2004) identify several reasons including: 1) the need to overlay a centralized account management function over an established decentralized sales force; 2) specific customers' desire to not have close relationships with vendors; and 3) customers' differing value requirements as reasons why KAM organizations appear better in theory than in actual practice. Further, Piercy and Lane (2006) argue that the adoption of a KAM process leads organizations to focus its efforts on customers which may have the lowest margins and the highest business risk. Low and Johnston (2006) found that the success of KAM relationships depended greatly on customers' relationships with specific sales personnel, a finding supported by Sharma (2006) who notes that social/personal bonds are critical for successful key accounts.

METHODOLOGY

The focus of this study was to investigate differences between organizations utilizing key account management (KAM) sales processes and organizations that do not utilize key account management processes (non-KAM) with regards to their involvement of salespeople during the early stages of the new product development process. The survey instrument was pre-tested among 30 members of a professional selling advisory board and their feedback was incorporated into the final instrument. The survey was sent to 2,650 sales managers (or sales directors) employed by firms across the United States whose contact information was obtained through a list broker. These firms each operate in a business that is primarily business-to-business and they employ a minimum of 50 salespeople each.

RESULTS

Usable surveys were received from 246 respondents reflecting a response rate of 9.3 percent. While the response rate was lower than hoped, it remains in line with or higher than other recent studies examining: 1) KAM systems (Wengler, Ehret and Saab 2006); 2) the use of salespeople to collect information (Liu and Comer 2007); and 3) sales and other managers involved in B-toB markets (Ettlie and Kubarek 2008; Nevins and Money 2008; Schwepket and Good 2007; Carr and Lopez 2007; Green Jr., Inman and Brown 2006; Ozer and Chen 2006; Schwepker and Good 2004). According to Greatlists.com (2006), a response rate of 5.0 percent is acceptable for business-to-business surveys. The number of respondents indicating they utilized key account management sales process totaled 65 and respondents indicating they utilized other sales processes (Non-KAM) totaled 178. Three respondents were not included because they did not complete the entire questionnaire. The survey instrument consisted of numerous closed end questions and Likert-type scales that were designed to capture and evaluate respondent opinions regarding salesperson involvement in the new product/service development process. The survey data was subsequently edited, coded, and entered in SPSS 16.0 for analysis.

Salesperson Responsibilities, Training, and Input (KAM vs. non-KAM)

Sales managers (or sales directors) were first asked to evaluate the responsibilities of salespeople within the organization for acquiring new product/service information from customers. A Likert scale was employed with 1 = strongly disagree and 6 = strongly agree. As reflected in Table 1, no significant difference existed between KAM and non-KAM organizations (4.44 and 4.56, respectively) as it related to salesperson responsibility for acquiring new product/service information from customers.

When asked whether salespeople received training in methods to collect NPD information from customers and whether it was formalized, again there was no significant difference reported between KAM (3.69 and 3.02, respectively) and non-KAM organizations (3.58 and 2.99 respectively). Noteworthy is the fact that, in both type organizations, there appears to be little emphasis on training. As a result, there does not appear to be a high level of understanding on the sales force's part as to how the NPD process works in their organizations for KAM organizations (4.00) or non-KAM organizations (3.99). Likewise, there appears to be no formal efforts being made to increase salespeople's understanding of the NPD process in either the KAM (3.89) or non-KAM (3.78) organizations.

Significant differences did exist when sales managers were asked if their salespeople had *input* in the NPD process ($p = .034$) and if the salespeople provide *valuable input* in the NPD process ($p = .041$). In both cases, the mean was significantly higher for the KAM organizations (4.58 and 4.69, respectively), as compared to non-KAM organizations (4.11 and 4.24, respectively).

Table 1 also reflects significant differences between the KAM and non-KAM organizations when inquiring about interaction with individuals from marketing ($p = .043$) and NPD teams ($p = .011$). Once again, the mean was significantly higher for salespeople from the KAM organizations (4.33 and 4.03, respectively) as compared to non-KAM organizations (3.87 and 3.43, respectively). However, no statistically significant differences exist between KAM and Non-KAM organizations concerning the interaction

TABLE 1
Salesperson Responsibility within the Organization

Statement regarding salesperson responsibility within their respective organization	N	Mean* – KAM systems	Mean* – Non-KAM systems	Sig.**
Salespeople are responsible for acquiring new product/service information from customers.	241	4.44	4.56	.595
Salespeople receive training in methods to collect information regarding new product/service ideas.	242	3.69	3.58	.663
Training for information collection regarding new products/service is formal.	241	3.02	2.99	.904
Salespeople understand how the NPD process works in my organization.	238	4.00	3.99	.978
Formal efforts are made to increase salesperson understanding of NPD process.	241	3.89	3.78	.619
Salespeople are part of the NPD teams.	237	4.00	3.56	.068
Salespeople have input in the NPD process.	241	4.58	4.11	.034**
Salespeople provide valuable input in the NPD process.	240	4.69	4.24	.041**
Salespeople have the ability to provide valuable input in the NPD process.	240	4.78	4.42	.078
Salespeople interact with marketing people as part of the NPD process.	240	4.33	3.87	.043**
Salespeople interact with R & D people as part of the NPD process.	238	3.53	3.06	.055
Salespeople interact with engineering people as part of the NPD process.	233	3.20	2.82	.115
Salespeople interact with NPD teams in my organization.	232	4.03	3.43	.011**

*Based upon 6 point Likert-type scale: 1 = Strongly disagree; 6 = Strongly agree.
**p<.05

between sales and individuals from engineering or R & D.

Incentive Use (KAM vs. non-KAM)

Another issue of interest pertains to incentives given to salespeople for gathering new product/service ideas from customers. Table 2 reflects the percentage of all KAM organizations offering each incentive and the percentage of all non-KAM organizations offering each incentive. A total of 240 respondents completed this question (with six respondents not completing this question). For every incentive, respondents from organizations using key account management indicated a higher percentage of incentives offered to salespeople for gathering new product/service ideas from customers. Intrinsic incentives such as positive feedback and company praise were the main forms of incentives provided. Even in KAM organizations, only about one third of respondents reported that tangible incentives such as bonuses, compensation increases, or profit sharing were provided to salespeople for gathering new product/service ideas.

TABLE 2
Incentives Given to Salespeople

	Incentive	KAM systems – Using incentive*	Non-KAM systems – Using incentive*
Intrinsic	Positive feedback	41 (64.1 %)	95 (54.8 %)
	Company praise	27 (42.2 %)	65 (36.9 %)
Extrinsic	Bonus	22 (34.4 %)	34 (19.3 %)
	Compensation increase	20 (31.3 %)	32 (18.2 %)
	Profit sharing	12 (18.8 %)	18 (10.2 %)
Other	Other	16 (25.0 %)	19 (10.8 %)

*N = 240 (64 = KAM ; 176 = Non-KAM respondents)

Degree of Responsibility for Gathering NPD Information (KAM vs. non-KAM)

The respondents were also asked to indicate the degree of responsibility salespeople had for gathering information related to new product/service ideas for each unit within their organization. A six-point Likert scale was used for this question (1 = No responsibility; 6 = Full responsibility). The KAM organization mean was higher (reflecting greater responsibility for gathering ideas) for field salespeople and sales managers even though there were no statistically significant differences in the means. The results indicate that the means for all of the other units were higher for organizations implementing the non-key account management process. See Table 3.

Time Allocation (Current vs. Potential Customers)

Respondents were asked to consider the percentage of time salespeople actually spend with customers (e.g., face-to-face, phone, email, instant message). Table 4 reflects the percentages for *established* customers (based on total established customers) and percentages for *potential* customers (based on total potential customers). The sales managers' responses indicated that the largest percentage for time spent with *established* customers for both KAM and non-KAM salespeople was in the range of 26-75 percent (70.3 percent for KAM, 67.5 percent for non-KAM). In contrast, the largest percentage for time spent with potential

TABLE 3
Degree of Responsibility for Gathering Information Related to New Product/Service Ideas by Unit

Unit within Organization	N	Mean* – KAM systems	Mean* – Non-KAM systems	Sig.**
Field salespeople	239	4.59	4.57	.867
Inside salespeople	239	3.73	3.96	.307
Sales managers	238	4.54	4.46	.654
Specialized market development/research group(s)	235	4.76	4.87	.691
Applications engineers	230	3.78	4.08	.369
Permanent new product development team	233	4.57	4.81	.422
Ad hoc new product development team	229	4.69	4.73	.903
Customer service representatives	233	3.17	3.32	.559
Other representatives of the marketing function	184	4.74	4.75	.970
Operations/Manufacturing personnel	235	2.81	2.98	.514
Finance/Accounting personnel	239	2.06	2.51	.069

*Based upon 6 point Likert-type scale: 1 = No responsibility; 6 = Full responsibility.
**p<.05

customers for both KAM and non-KAM sales forces was in the 0-50 percent range (78.1 percent for KAM, 75.7 percent for non-KAM).

Sales Volume and Presence of KAM

A Pearson's Chi-Square test was conducted to test for statistical significance between organizational sales systems (KAM vs. non-KAM) and annual sales volume. A negative association exists between the two variables with a correlation coefficient of -.156 and a Pearson Chi-Square value of 5.719 with a significance value of .017. Table 5 depicts the differences across quadrants that are associated with this statistical significance.

How Often Outcomes Resulted

Table 6 reflects how often the ideas collected by salespeople from the customers resulted in outcomes for the firm. These outcomes could potentially include a totally new product, a line extension, an improvement or added feature in the product/service, as well as finding a new market. While the differences for KAM and non-KAM organizations did not indicate any statistical difference, it is important to note that the frequency means were lower for both types of organizations for totally new products (2.92 for KAM and 3.05 for Non-KAM organizations) and for finding new uses or markets (2.98 for KAM and 3.27 for Non-KAM organizations). The means for both organizations for extensions, improvement, or added features were higher but certainly could use improvement.

This study also examined how often salespeople communicated new product/service ideas to internal groups within the organization. Again, while the differences between KAM and

TABLE 4
Time Spent by Salespeople with Customers

Percent of Time	Frequency * Established Customers		Frequency ** Potential Customers	
	KAM	Non-KAM	KAM	Non-KAM
0% – 25%	10 (15.6%)	24 (13.7%)	24 (37.5%)	24 (37.5%)
26%-50%	20 (31.3%)	57 (32.6%)	26 (40.6%)	26 (40.6%)
51%-75%	25 (39.0%)	61 (34.9%)	10 (15.6%)	30 (16.9%)
76%-100%	9 (14.1%)	33 (18.8%)	4 (6.25%)	13 (7.4%)
Total	64 (100%)	175 (100.0%)	64 (100.0%)	177 (100.0%)

* N=239 ** N=241

TABLE 5
Chi-square Analysis of Organizations
(KAM and Non-KAM) Compared to Annual Sales Volume

	KAM systems	Non-KAM systems	Total*
Sales volume less than $1 billion	29	113	142
Sales volume greater than $1 billion	32	61	93
Total	61	174	235

*Pearson Chi-square value = 5.719 with a significance value = .017 and Pearson's R = -.156.

TABLE 6
How Often Ideas Collected by Salespeople from Customers Generated Outcome

Outcome	N	Mean* – KAM systems	Mean* – Non-KAM systems	Sig.**
A totally new product	241	2.92 64	3.05 177	.419
An extension of an existing product/ service line	241	3.48 63	3.61 178	.350
Improving tangible quality of current product/service	239	3.55 62	3.67 177	.393
Adding features to a current product/ service	240	3.69 62	3.75 178	.727
Adding services associated with a current product	236	3.38 63	3.51 173	.422
Finding new use/market for a current product/service	238	2.98 62	3.27 176	.072

*Based upon 6 point Likert-type scale: 1 = Never; 6 = Always.
**p<.05

non-KAM organizations are not statistically significant, it reflects to whom ideas are most likely to flow. Not surprisingly, Table 7 indicates that salespeople were far more likely to convey information to others on their (4.30 for KAM and 4.36 for Non-KAM organizations) and sales managers (4.76 for KAM and 4.57 for Non-KAM organizations) than to a new product development group (3.92 for KAM and 4.20 for Non-KAM organizations) or market researchers (4.05 for KAM and 4.09 for Non-KAM organizations) application engineer (3.16 for KAM and 3.76 for Non-KAM organizations) or operations/manufacturing (2.92 for KAM and 3.01 for Non-KAM organizations).

MANAGERIAL IMPLICATIONS

The results of this study provide support for the idea that KAM organizations are better suited to provide input into the idea generation stage of the NPD process. For example, KAM salespeople are perceived to provide more valuable input to the organization than non-KAM salespeople. The fact that KAM salespeople are more engrained in customer organizations and customer retention efforts should mean they have more and stronger relationships and, as a result, more access to key information about new product needs. So, companies need to be using the time of the sales force wisely which may mean that non-KAM salespeople need to have less responsibility for obtaining NPD information and more time to secure new business from potential customers.

In addition, the absence of support for some issues provides ammunition for action on the part of business if the NPD process is to be improved and made more effective and efficient. It is clear from the results that companies feel that NPD is an important issue and that all salespeople (including KAM and non-KAM) are responsible for gathering information on NPD. This is consistent with previous research that stresses the importance of NPD in corporate survival. However, it is not enough to just give salespeople the

TABLE 7
How Often Salespeople Communicate New Product/Service Ideas to Internal Groups in the Organization

Internal Group	N	Mean* – KAM systems	Mean* – Non-KAM systems	Sig.**
New product/service development group	235	3.92 62	4.20 173	.294
Sales manager	239	4.76 63	4.57 176	.280
Marketing/market research	236	4.05 63	4.09 173	.861
Application engineer	234	3.16 61	3.76 173	.067
Operations/manufacturing	233	2.92 63	3.01 170	.728
Sales team	211	4.30 54	4.36 157	.727

*Based upon 6 point Likert-type scale: 1 = Never; 6 = Always.
**p<.05

responsibility to collect the information; they also need to be trained. What is surprising is that neither KAM nor non-KAM salespeople receive formal training (lowest variable for both) or receive training on how to collect the relevant information. Therefore, companies have given salespeople the responsibility without support. This is further aggravated by the lack of formal efforts on the part of companies to help salespeople (both KAM and non-KAM) understand the NPD process. If companies want salespeople to help (and they clearly do), then they need to provide training to help them perform more efficiently and effectively in their position.

This study also addresses the critical issue of with whom the salespeople interact. First due to the nature of the position, salespeople within KAM organizations are statistically more likely to interact with marketing personnel than those in non-KAM organizations. In addition, KAM salespeople are more likely to interact with R&D personnel than non-KAM (marginally significant) salespeople. Both type sales organizations are less likely to interact with engineering. This could be due to the lack of cross functional integration in most companies.

The role of incentives can also be an issue as to why more salespeople (KAM and non-KAM) do not actively engage in the idea generation stage of the NPD process. It is clear that companies have tried to use intrinsic factors (praise and feedback) more than extrinsic rewards (bonus, pay increase, profit sharing, etc.). It would make sense for companies that know money motivates most salespeople to offer both intrinsic and extrinsic rewards to try to get salespeople to perform tasks they normally would prefer not to do. The collection of customer information on NPD is clearly one of those factors that most salespeople would not do voluntarily. Companies should start to look at the impact that the lack of new products would have on their company and decide to earmark some development money for the sales organization (both in the form of incentives as well as training).

Salespeople of both KAM and non-KAM organizations tended to focus on the conservative or shorter-term versus the radical or longer-term when it came to how often ideas collected by salespeople generated various product/service outcomes. Totally new products ranked at the low end of outputs while the addition of features and/or services to a current product/service seemed to be the predominant outputs of salesperson information gathering activities.

Finally, KAM is a resource intensive activity and it is presumed that not all organizations will be able to use this type of selling. The results of this study support that notion. In the current study, there was a significant difference between those companies who use KAM and the size of the organization. It is more likely that organizations that have over a billion dollars in sales will employ a KAM process than those with less than a billion dollars in sales. Thus, the larger corporations may have an advantage in developing new products simply because they employ key account management processes.

CONCLUSIONS, LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

If companies are serious about the NPD process they need to do several things to ensure positive results. First, they need to provide training and support for salespeople to collect and disseminate the information to the appropriate people within the organization. Second, companies need to use their resources more efficiently. More specifically, KAM salespeople should be more responsible for involvement with NPD than other processes (non-KAM) because they are more likely to have well developed relationships with existing customers. Third, companies need to develop monetary incentives for salespeople if they ever hope to get their buy in. It is clear that praise and recognition are not sufficient enough incentives and that some of the resources invested in NPD should be shared with the sales force. Fourth, and as Massey and Dawes advocate (2006), senior management must encourage more collaborative forms of communication between the Sales and Marketing functions.

Several limitations to this study should be noted. First, the study is exploratory in nature. Second, the number of respondents indicating they utilized a key account management sales process totaled 65 while respondents indicating they utilized other sales processes (Non-KAM) totaled 178. Ideally, responses garnered from a sample with an increased and equal number of KAM and non-KAM respondents would be more compelling. As a third limitation, this sample reflects the responses of sales managers from firms based only in the United States. Hence, future research could focus on the perceptions of sales managers from countries outside of the United States, perhaps countries with emerging markets. Another opportunity exists by investigating the salespeople's perceptions, rather than sales managers' perceptions, of key account management systems. Finally, future research could focus on comparing the use of the sales force in the idea generation stage of the NPD process across varied industries.

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