

**Effective Implementation of Relationship Orientation in New Product Launches**  
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## **Abstract**

The critical role of relationships in business performance is widely recognized in the business marketing literature. However, to date, the prevailing new product launch research has concentrated on firms' general customer and competitor focus on predicting launch performance, and mainly applied a product centered or marketing mix perspective on considering effective strategic and tactical launch activities. Consequently, there is only scant knowledge on the relevance of a relational perspective when launching new products. The study contributes to this gap by examining the impact of firms' relationship orientation on launch performance and the key activities through which it is transformed into performance in the new product launch context. A set of hypotheses is developed and tested with data collected from 109 new product launches in pharmaceutical companies. The results show that sales force management and relationship leveraging mediate relationship orientation's impact on launch performance through complexly intertwined relationships. From a theoretical perspective, this study highlights the role of the relational perspective in new product launch and fosters our understanding on how relationship-focused culture is effectively implemented in practice. From a managerial perspective, the results offer insights on how firms can effectively enhance the successful commercialization of new products through relationship-oriented sales and marketing activities.

**Keywords:** new product launch, relationship orientation, sales force management, relationship marketing, relationship leveraging

# 1 Introduction

Relationship orientation (RO) represents a strategic orientation of a firm, emphasizing the importance of establishing and leveraging customer relationships. It refers to an organizational culture that places customer relationships “at the center of the firm’s strategic or operational thinking” (Sin, Tse, Yau, Chow, & Lee, 2005, p. 38), and considers those relationships as a key driver of organizational performance (Day, 2000; Jayachandran, Sharma, Kaufman, & Raman, 2005). Hence, RO is grounded on the relationship marketing concept representing one of the key research streams in the industrial marketing literature (see Morgan & Hunt, 1994; Möller & Halinen, 2000). However, to date only limited empirical knowledge exists on the relevance of a relational perspective in the new product launch (NPL) context. This study fulfills this research gap by examining the role of firms’ RO on NPL performance.

A number of studies have investigated the role of firms’ orientations in commercializing new products (e.g., Langerak, 2003; Langerak, Hultink, & Robben, 2004; Talke & Hultink, 2010a). However, the majority of these studies have focused on the relationship between market orientation and NPL performance (e.g., Atuahene-Gima, 1995; Appiah-Adu & Singh, 1998; Baker & Sinkula, 1999; Matsuno, Mentzer, & Özsomer, 2002; Ledwith & O’Dwyer, 2009). Although the findings indicate that market orientation has a positive impact on NPL success by helping firms to build product advantage and proficiency in launch activities (e.g., Langerak et al., 2004), the prevailing studies on firms’ orientations in the NPL context apply a general-level customer focus, and largely neglect the role of relationships. In fact, previous mainstream NPL studies have been heavily product focused (see Evanschitzky, Eisend, Calantone, & Jiang, 2012), and mainly applied a product centered or marketing mix perspective when considering effective strategic and tactical launch activities (see Calantone & Di Benedetto, 2007). As companies’ networks of relationships form a critical context in business markets, which both enables and constrains corporate performance (Ritter, Wilkinson, & Johnston, 2004), and as

firms have invested heavily in managing relationships (e.g., Reinartz, Krafft, & Hoyer, 2004), we expect the relational perspective to provide a highly fruitful alternative determinant that complements current knowledge on the key antecedents of NPL performance.

In sum, although there is a consensus among academics and practitioners on the key role of relationships in business marketing, not much is known to date concerning the relevance of a relational approach in the NPL context. The study contributes to this gap by studying *the impact of firms' relationship orientation on new product launch performance when commercializing new products*. Furthermore, as noted in earlier studies on firms' orientations, understanding on a firm's orientation remains incomplete, if it is not known through which activities its culture is transformed into superior value for customers (see Han, Kim, & Srivastava, 1998; Langerak et al., 2004). Hence, this study further examines *the key activities through which a relationship-oriented organizational culture is transformed into performance in the NPL context* by utilizing two identified key concepts: sales force management (SFM) and relationship leveraging (RL). From a theoretical perspective, this study examines how RO affects NPL performance through key mediating activities, thus fostering our understanding on the implementation of organizational culture in practice. From a managerial perspective, it offers insights on how firms can effectively enhance commercialization of new products through relationship-oriented sales and marketing activities.

Several studies have suggested that the sales force is a critical contributory factor to new product success (Cooper, 1998; Di Benedetto, 1999; Hultink & Atuahene-Gima, 2000; Fraenkel, 2011) and plays an important role in executing marketing strategies (Cross, Hartley, Rudelius, & Vassey, 2001). The contemporary role of sales being typically characterized by a relational perspective aimed at simultaneously making sales and developing long-term customer relationships makes SFM particularly interesting for this study (see Storbacka, Ryals, Davies, & Nenonen, 2009; Geiger & Guenzi, 2009;

Avlonitis & Panagopoulos, 2010). Hence, the role of sales force management should be seminal in translating firms' RO into practice.

Relationship marketing has been found to be a central predictor of business performance by generating stronger customer relationships that enhance sales growth, market share, and profits (Morgan & Hunt, 1994; Palmatier, Scheer, Evans, & Arnold, 2008). While conceptual studies abound, empirical evidence on the effectiveness of relationship marketing activities in NPL context remains scarce. In this study, the concept of relationship leveraging in NPL is employed, referring to firms' activities aimed at establishing and capitalizing relationships with key stakeholders for the successful commercialization of new products. Thus, examining the role of relationship leveraging activities in the link between RO and NPL performance can provide novel insight on practical implementation of relationship marketing philosophy, in particular, in commercializing new products.

In answering the research questions, the remainder of the paper is structured as follows. First, the extant literature on relationship orientation (RO), sales force management (SFM), and relationship leveraging (RL) in new product launch (NPL) context is reviewed. Second, we present our conceptual model and the hypotheses followed by the research methodology. Then, the results are presented and discussed, linking those to the existing literature and relevant managerial practices. Finally, we offer managerial implications, and suggest directions for future research.

## **2 Theoretical Background**

### ***2.1 Relationship Orientation***

In addition to the widely examined concept of market orientation (see Cano, Carillat, & Jaramillo, 2004; Kirca, Jayachandran, & Bearden, 2005; Lafferty & Hult, 2001), relationship orientation (RO) can be regarded as one of the strategic orientations of a firm (cf. Day, 2000). Whereas market orientation refers to organizational culture or behavior emphasizing customers and competitors at a general level,

RO provides a more specific perspective emphasizing the importance of customer relationships in the business (Day, 2000). In this study, RO is understood as an *organizational culture that considers customer relationships a key driver of organizational performance pervading all parts of the organization through common mind-set, shared values, and norms* (see Day, 2000; Jayachandran et al., 2005). Hence, RO is grounded on the relationship marketing concept, which represents one of the key research streams in the industrial marketing literature (Morgan & Hunt, 1994; Möller & Halinen, 2000), and reflects the extent to which a company engages in developing long-term relationships with its customers (Sin et al., 2005).

The importance of the relationship marketing concept in business performance has been widely noted (e.g., Morgan & Hunt, 1994; Grönroos, 1997; Berry, 2002; Palmatier, Dant, Grewal, & Evans, 2006). However, although the critical importance of RO in maintaining a firm's competitive advantage regarding customers has been recognized (e.g., Day, 2000), the literature review reveals a scarcity of empirical research that examines the linkage between RO and business performance, especially in the new product launch (NPL) context (cf. Sin et al., 2005).

## ***2.2 Sales Force Management Activities in New Product Launch***

Sales force management (SFM) has been defined as “analysis, planning, implementation and control of sales force activities including designing sales force strategy and structure as well as recruiting, selecting, training, supervising, compensating and evaluating a company’s sales people” (Kotler & Armstrong, 2009). Effective management of the sales force is a prerequisite in business markets (Avlonitis & Panagopoulos, 2010). Several studies have suggested that the sales force is also a critical contributory factor to NPL success (e.g., Cooper, 1998; Di Benedetto, 1999; Hultink & Atuahene-Gima, 2000; Fraenkel, 2011).

In this study, SFM in the NPL context refers to *sales force management activities specific to a launched product's commercialization phase* (cf. Fraenkel, 2011). This includes SFM-related strategic elements, which need to be considered in NPL, such as sales force composition and its correct size, adequate effort and commitment to new product, control issues, an incentive system, and internal marketing and training with regard to the launched product (Fraenkel, 2011; Cooper, 1998; Di Benedetto, 1999; Hultink & Atuahene-Gima, 2000).

The traditional role of sales is changing, making SFM particularly interesting from this study's perspective. Storbacka et al. (2009; p. 890) pointed out that the role of sales is moving "from a function to a process; from an isolated activity to an integrated one; and becoming strategic rather than operational". This strategic role of sales is typically rooted in the relationship approach that can be regarded as aiming to simultaneously make sales and develop long-term relationships with major customers (e.g., McDonald, Millman, & Rogers, 1997; Weitz & Bradford, 1999; Mantrala, Albers, Gopalakrishna, & Joseph, 2008; Storbacka et al., 2009; Geiger & Guenzi, 2009; Avlonitis & Panagopoulos, 2010; Davies, Ryals, & Holt, 2010). In practice, the new role of sales is demonstrated through concepts such as relationship selling (e.g., Crosby et al., 1990; Frankwick, Porter, & Crosby, 2001), consultative selling (Liu & Leach, 2001), or value-based selling (e.g., Terho, Haas, Eggert, & Ulaga, 2012; Töytäri, Alejandro, Parvinen, Ollila, & Rosendahl, 2011) all sharing the idea of value co-creation while interacting with the customer, and hence emphasizing a relational sales approach (Vargo & Lusch, 2004; Grönroos, 2008; Grönroos & Helle, 2010). In sum, the prevailing conceptualizations concerning sales put emphasis on building and maintaining customer relationships rather than merely optimizing a series of separate transactions, thus indicating SFM to be a potential key concept in transforming an RO culture into business practice (see Storbacka et al., 2009; p. 901).

### ***2.3 Relationship Leveraging Activities in New Product Launch***

Relationship marketing has been one of the dominant paradigms in industrial marketing research (see Möller & Halinen, 2000; Coviello, Brodie, Danaher, & Johnston, 2002; Palmatier et al., 2006; Grönroos, 1997; Wong, Wilkinson, & Young, 2010). According to Morgan and Hunt (1994, p. 22), “relationship marketing refers to all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges” but it can also be perceived from a more philosophic perspective to emphasize the primary importance of relationships in business (e.g., Gummesson, 1998; Grönroos, 2008). Overall, the importance of the relationship marketing concept in business has been widely noted, and has been found to be a central predictor of business performance by generating stronger customer relationships that enhance sales growth, market share, and profits (e.g., Crosby et al., 1990; De Wulf et al., 2001; Palmatier et al., 2008).

Despite the apparent importance of adopting a relational approach in business, empirical studies concerning how firms actually employ relationships in the NPL context remain fragmented and scarce. The few studies on the topic indicate that relationship-focused activities play a central role in attaining better launch performance. For example, research has found evidence that close customer interaction during new product development is an enhancing factor for new product success (e.g., Gruner & Homburg, 2000; von Hippel, 2001; see also Fang, 2008), and that early involvement of opinion leaders is important in the launch of an innovative product (van Eck, Jager, & Leeflang, 2011; Sandberg, 2002). Still empirical studies have adopted somewhat narrow view when studying the leveraging of relationships in NPL context.

NPL performance depends on a broad set of actors and not only customers, highlighting the need to adopt a broad perspective on relationships in the NPL context (cf. Talke & Hultink, 2010b). In other words, it is relevant to focus on a broader set of stakeholder relationships that affect the adoption of the launched product rather than solely limiting activities to customer-directed efforts for building close



relationships. Accordingly, we define relationship leveraging (RL) in the NPL context as *a firm's activities aimed at establishing and capitalizing relationships with key stakeholders for successful commercialization of a new product*. This means, for example, identifying and involving opinion leaders, which has been noted as critical in the adoption process of new products (e.g., van Eck et al., 2011; Sandberg, 2002), and instigating early market pro-active activities aimed at building awareness among key stakeholders in the product before launch by involving potential early adopters; for example, through conferences, or providing high-quality training for customers (Sandberg, 2002; Rod & Saunders, 2009). Studies have further stressed market access-focused activities aimed at stakeholders and gatekeepers (e.g., decision-makers and payers) who can have a major impact on the adoption of new products; for example, through advisory board meetings (McGrath, 2010). Firms' existing customers are also a major potent group of adopters, and the active leveraging of present customer relationships, for example, through key account management practices, has been shown to be crucial for the successful launch of a new product (e.g., Mantrala et al., 2008). The examination of the linkage between RL and NPL performance can provide novel insights on the practical and effective implementation of the relationship approach when commercializing new products.

### **3 Conceptual Model**

The conceptual model presented in Figure 1 illustrates the key constructs of this study and summarizes the hypothesized relationships. More specifically, the proposed model examines the impact of relationship orientation (RO) on new product launch (NPL) performance. Further, the research model includes sales force management (SFM) and relationship leveraging (RL) as two potential key mediators explaining how firms' RO can impact NPL performance. The hypotheses are discussed in detail below.

## INSERT FIGURE 1 NEAR HERE

We distinguish between two key areas of launch performance in the model: customer acceptance (CA) and NPL success. *NPL success* refers to the overall attainment of launch targets relating to sales, market share, and profitability, which are frequently employed as appropriate performance measures in the NPL-related literature (e.g., Montoya-Weiss & Calantone, 1994; Di Benedetto, 1999; Kleinschmidt, de Brentani, & Salomo, 2007; de Brentani, Kleinschmidt, & Salomo, 2010; Talke & Hultink, 2010a and 2010b). As several studies have shown that customer-related success plays a key role in NPL performance, we further distinguish *customer acceptance* as a central NPL performance measure (e.g., Griffin & Page, 1993 and 1996; Homburg & Pflesser, 2000). Since this study involves customer- and relationship-focused constructs, it is logical to expect that CA represents a key measure in explaining how these constructs link to improved financial launch performance. While adoption of a new product among customers is necessary for improved financial performance, and poor CA can be regarded as a reason for market failure (see Chiesa & Frattini, 2011), it can be hypothesized that CA is a key determinant for NPL success:

***H1: Customer acceptance is positively related to new product launch success.***

As described, RO stands for an organizational culture that considers customer relationships a key driver of organizational performance (e.g., Day, 2000; Jayachandran et al., 2005), and hence, it represents a culture that underlines the implementation of the relationship marketing. RO can be hypothesized as positively connected to CA in the NPL context based on a sociological perspective of the theory of innovation diffusion (see e.g., Chiesa & Frattini, 2011). More specifically, a firm's RO should enable faster and more extensive diffusion of innovation (e.g., D'Arcy, 2009; Iyengar, Van den Bulte, Eichert, West, & Valente, 2011) through improving customer participation and establishing

stronger relationships with customers in NPL (e.g., Huston & Sakkab, 2006; Fang, 2008), and resulting in lowered innovation diffusion barriers (see Talke & Hultink, 2010b). Thus, the following hypothesis is put forward:

***H2: Relationship orientation is positively related to customer acceptance.***

Although no studies exist that link RO to performance in the NPL context, RO has been earlier identified as a factor in maintaining competitive advantage and customer performance (see Alrubaiee & Al-Nazer, 2010; Day, 2000; Sin, Tse, Yau, Lee, & Chow, 2002; Sin et al., 2005). Hence, we hypothesize also a direct RO – NPL success link. More specifically, the above hypothesized relationship between RO and CA forms a theoretically meaningful basis for improved financial performance. Further, the RO should have also a broader performance impact going beyond the simple increased customer acceptance as the organizational culture emphasizing long-term customer relationships can be expected to realize also to more loyal relationships and therefore higher sales (see Day, 2000; Sin et al., 2005; Palmatier et al., 2008). Therefore, we hypothesize a further direct link between RO and NPL success:

***H3: Relationship orientation is positively related to new product launch success.***

The two mediating constructs, SFM and RL, in the research model are hypothesized to be key activities through which a relationship-oriented organizational culture is transformed into performance in the NPL context. Organizational culture influences a firm's choice of outcomes and the means to accomplish those outcomes (Moorman, 1995). Consequently, when a firm has strong RO, relationship-focused activities should play a key role in SFM and frontline levels in the organization to accomplish NPL performance. The RO representing a firm's culture should direct the organization's attitude towards adopting SFM and RL comprising a strong relational perspective (cf. Jayachandran et al.,

2005). We limit our examination of the mediators' hypothesized outcomes to CA representing customer-based performance for being able to explore the mediation effects in detail.

More specifically, sales represents a firm's key frontline activity in its customer interface and has a major influence on the firm's performance (e.g., Baldauf & Cravens, 1999; Baldauf, Cravens, & Piercy, 2001; Avlonitis & Panagopulos, 2010). Several studies on the NPL context have suggested that the sales force is a critical contributory factor to new product success (e.g., Cooper, 1998; Di Benedetto, 1999; Hultink & Atuahene-Gima, 2000; Fraenkel, 2011). Thus, SFM in the NPL context plays a considerable role in directing the sales force towards desired activities and outcomes. We assume that relationship-oriented organizational culture, which emphasizes the importance of relationships, can increase adoption of systematic SFM practices as sales force activities represent key means with which to turn relationship thinking into relational frontline practice (see Storbacka et al., 2009). Systematic SFM activities can turn into CA and, later, to financial performance. Therefore, it is hypothesized:

***H4:** Sales force management in a new product launch mediates the link between relationship orientation and customer acceptance.*

To enable testing of the main mediation hypothesis H4, we propose two further specific sub-hypotheses:

***H4a:** Relationship orientation is positively related to sales force management in a new product launch.*

***H4b:** Sales force management in a new product launch is positively related to customer acceptance.*

An organization's culture represents deeply embedded values and beliefs that establish the norms for appropriate behavior (Deshpandé, Farley, & Webster, 1993) and drives the choice of means to

accomplish the desired outcomes (cf. Day, 2000). Hence, a relationship-oriented organizational culture should enhance implementation of the necessary processes for leveraging key relationships with relevant stakeholders. RL activities focus on improving stakeholder participation and establishing stakeholder relationships (e.g., Huston & Sakkab, 2006; Fang, 2008) that can also result in lowered innovation diffusion barriers (Talke & Hultink, 2010b). Hence, a firm's efforts on systematic RL in NPL signify key means for taking relationship marketing philosophy into practice, also forming a theoretical link to improved CA in the NPL context. We hypothesize that activities for leveraging key stakeholder relationships in NPL represent key means in transforming RO into practice through concrete frontline activities that lead to better customer performance. Thus, the following hypothesis is put forward:

***H5:** Relationship leveraging in a new product launch mediates the link between relationship orientation and customer acceptance.*

To enable testing of the main mediation hypothesis H5, we propose two further specific sub-hypotheses:

***H5a:** Relationship orientation is positively related to relationship leveraging in a new product launch.*

***H5b:** Relationship leveraging in a new product launch is positively related to customer acceptance.*

The sales force operates in firm's customer interface with, increasingly, an important role in building customer relationships (e.g., Weitz & Bradford, 1999; Storbacka et al., 2009). As the nature of personal selling has evolved from making sales and optimizing separate transactions to building relationships and long-term value-creation (e.g., Wotruba, 1991; Davies et al., 2010), it is reasonable to assume that the manner of SFM, in terms of sales force training, motivation, reward, and control, has

an imperative impact on how the sales force operates in the customer interface, and to what degree it builds and leverages stakeholder relationships. Therefore, we hypothesize that:

*H6: Sales force management in a new product launch is positively related to relationship leveraging in the new product launch.*

## **4 Methodology**

### **4.1 Sample and Data Collection**

The conceptual model is tested with data collected from firms in the pharmaceutical industry in Finland. The pharmaceutical industry was considered a particularly relevant empirical context for the study as this industry is characterized by high research and development (R&D) intensity (see European Federation of Pharmaceutical Industries and Associations, 2013) and, thus, heavy reliance on successful new product launch (NPL) (Achilladelis & Antonakis, 2001).

To obtain a comprehensive sample, we employed the complete list of pharmaceutical companies selling and marketing pharmaceutical drug products with a license to operate in the country of study. Pharmaceutical contract research and manufacturing organizations and wholesalers were excluded. Appendix A shows the details of the companies in the sample. NPL represents the key level of analysis in the study. Hence, data collection efforts were targeted at individual NPL among the sample firms. Target respondents for the survey were key product, sales, and marketing managers, and directors in charge of NPL in the selected companies. Suitable respondents were identified through a preliminary Internet search, followed by direct contact with the directors of the respective companies.

An Internet-based survey was sent by electronic mail to 357 identified respondents responsible for NPL, who were asked to complete the survey in relation to a specific product launch over the last five years in which they were most involved. The time frame of five years for launch newness was based on previous NPL studies (Di Benedetto, 1999; Calantone & Di Benedetto, 2007). Followed by

three reminders, the request to participate in the survey yielded 110 responses. After removing one response with problematic missing values, a total of 109 usable responses remained, representing a good 30.5% response rate. A t-test of difference in means on the constructs employed in the research model revealed no significant differences in means between early and late respondents at the  $p < 0.05$  level, indicating the absence of systematic non-response bias (see Armstrong & Overton, 1977).

## **4.2 Research Instrument**

When applicable, we employed existing scales for each construct in the conceptual model. The scales were further adapted to fit the present-day industry context under research through industry expert interviews, representing different types of company and respondent categories in the sample. Appendix B summarizes the measurement scales employed in the study. Relationship orientation (RO) was measured utilizing Jayachandran et al.'s (2005) scale. The sales force management (SFM) construct was adapted from the existing scale developed in the NPL context by Fraenkel (2011). Both success measures, customer acceptance (CA) and NPL success were based on existing scales put forward by Griffin and Page (1993 and 1996).

Relationship leveraging (RL) in NPL was measured with a new scale. We put substantial effort into developing a valid and reliable scale for the NPL setting comprising several steps. More specifically, we began with a comprehensive review of the applicable literature to define the construct and specify its domain, and created an item pool based on the insights gained. Second, to ensure the content validity of the construct, all indicators were discussed face-to-face with seven senior-level directors with considerable experience in the industry. The practitioners were requested to comment on the relevance and clarity of the items, and also to openly comment on how items matched their present-day business practices. Finally, four academic experts assessed the final item pool to ensure that the scale items appropriately reflected the underlying construct.

The constructs of RO, SFM, RL, and CA, were assessed on seven point Likert-type scales ranging from ‘strongly disagree’ to ‘strongly agree’. The construct of NPL success comprised aspects of financial and overall success measurements assessing how NPL achieved sales, market share, and profitability targets over one year periods, and how successful NPL was generally perceived (Paladino, 2007). NPL success was assessed on eleven point Likert-type scales ranging from ‘far below target: -5’ to ‘far above target: +5’ for financial success measurements, and from ‘very unsuccessful: -5’ to ‘very successful: +5’ for overall success measurement (Di Benedetto, 1999; Calantone & Di Benedetto, 2007).

### ***4.3 Model Estimation***

The research model was tested employing Partial Least Squares (PLS) modeling by means of SmartPLS 2.0 software application (Ringle, Wende, & Will, 2005). PLS modeling was employed to analyze the hypotheses as earlier simulation studies have found that PLS modeling can achieve high levels of statistical power with small sample sizes if the sample size is larger than  $N > 100$  and if the measurement model quality is good (i.e., loadings  $> .70$ ), which is the case in this study (see Reinartz, Haenlein & Henseler, 2009). Further, PLS is well suited to the objectives of this study as the main focus lies in explaining variance of the endogenous constructs (Hair, Sarstedt, Ringle, & Mena, 2012), and it can model latent constructs under conditions of non-normality, which is also the case in this study (see Chin, Marcolin, & Newstead, 2003, p. 197). A bootstrapping procedure was employed to test the significance of the PLS parameter estimates, based on a sample size of 5,000 as recommended by Hair et al. (2012). Overall, taking together the ability of PLS to produce valid results with small sample sizes and the good response rate in the study (i.e.,  $> 30\%$ ) we believe that the study can provide findings of high quality.



#### **4.4 Reliability and Validity**

Several steps were taken to ensure reliability and validity of the multi-item scales. The initial validity assessment on the constructs was conducted with exploratory factor analysis employing principal component analysis (PCA). After elimination of a few problematic indicators, PCA supported the validity of the measures as all indicators load highly (i.e.,  $>.40$ ) to the theoretical factor, and no problematic cross-loadings greater than  $.40$  to other factors were found to exist (Hinkin, 1995). Elimination of indicators is acceptable for reflective constructs due to their interchangeable nature (Bollen & Lennox, 1991).

Scale reliability and validity were further analyzed more closely after the initial scale validation efforts: see Table 1 for detailed scale properties. Construct reliability was supported as all constructs had higher Cronbach's Alphas and Composite Reliabilities than the recommended threshold of  $.70$  (see Hair et al., 2012). Average Variance Extracted (AVE) figures exceeded the  $.50$  threshold. Importantly, the Fornell-Larcker (1981) criterion for discriminant validity was met, as the square roots of AVE for all constructs were greater than the corresponding correlations with any other construct; thus, supporting validity. Also importantly, in addition to having good validity and reliability statistics, the new RL in the NPL scale had high predictive validity as it explains NPL performance reasonably strongly, giving further support to the goodness of the new measure (see Figure 2).

INSERT TABLE 1 NEAR HERE

The results for the outer PLS model support the validity and reliability of the constructs. All indicator loadings are statistically significant (i.e.,  $p < 0.001$ ), and mostly exceed the recommended threshold of  $.70$  (see Hair et al., 2012); see Appendix B. An examination of the indicator cross-loadings for each construct showed that each indicator loads highest on the construct it is intended to measure,

indicating further support for discriminant validity (Hair et al., 2012); see Appendix C. Overall, the results indicate that the scales have satisfactory reliability and validity.

Finally, we assessed the predictive validity of the tested research model by examining Stone-Geisser's  $Q^2$  for the individual constructs and goodness of fit (GoF) for the complete research model. The  $Q^2$  values for the full research model varied between .31 and .67, demonstrating a moderate to strong degree of predictive relevance (see Stone, 1974; Geisser, 1974; Hair et al., 2012). In turn, the overall GoF for the full research model was estimated employing GoF value (Tenenhaus, Vinzi, Chatelin, & Lauro, 2005). The GoF value of .45 for the conceptual model can be deemed a satisfactory overall fit in the NPL research context (see Hair et al., 2012).

#### **4.5 Common Method Bias**

Common method bias needs to be taken into account when both independent and dependent variables are obtained from the same source. Consistent with recommendations made by Podsakoff, MacKenzie, Lee, & Podsakoff (2003), we employed procedural remedies against potential problems associated with common method bias and single respondent design including full anonymity concerning responses, and employing various types of scale format and anchor. Further, common method bias was assessed by Harman's one factor test, which is the most widely employed technique to address common method variance. Un-rotated factor analysis generated seven factors with eigenvalues greater than one. The first factor accounted for 38% of variance, whereas the other five factors together accounted for 72% of the total variance, thereby indicating that common method bias is unlikely to be a serious concern in this study.

## 5 Results

The key contribution of this study is to explore the impact of relationship orientation (RO) on performance when commercializing new products. In the new product literature, a focus on firms' RO with a direct link to business performance during new product launch (NPL) is missing (Sin et al., 2005; Jayachandran et al., 2005). Accordingly, we begin by examining the linkage between customer acceptance (CA) and NPL success (**H1**), and also the linkages between RO and CA (**H2**) and financial NPL success (**H3**). Second, we analyze more closely the two mediation hypotheses, **H4** and **H5**, regarding the concrete activities through which relationship-oriented organizational culture is hypothesized to be transformed into performance in the NPL context. Third, the complete research model including the linkage between sales force management (SFM) and relationship leveraging (RL), hypothesis **H6**, is examined.

As the hypothesized mediation effects represent a central aspect of the research model, the reporting of results is based on several stages. We followed the recommended steps by Baron and Kenny (1986): first, the independent variable must account significantly for the variations in the presumed mediator (a in Table 2); second, the mediator must affect the dependent variable (b); and third, the independent variable must be shown to affect the dependent variable (c). If all of these conditions hold in the predicted direction, mediation occurs when the effect of the independent variable on the dependent variable (c') reduces when the mediator variable is added to the model. Consequently, we present first the baseline model results for examining the direct RO and performance link, followed by the examination of the two hypothesized mediation effects through individual analyses. Finally, we discuss the complete research model concerning the overall results. The results of the baseline model and mediation models 1 and 2 are shown in Table 2, whereas the complete research model results, including the standardized path coefficients and explained variance  $R^2$ , are shown in Figure 2.

INSERT TABLE 2 NEAR HERE

First, the results from the baseline model shown in Table 2 confirm that the two studied measures of launch performance, CA and NPL success, are positively related (i.e.,  $\beta=0.265$ ,  $p<0.01$ ), thus supporting hypothesis **H1**; that is, customer acceptance is a central predictor of NPL success. The baseline model also shows that RO has a positive impact on both CA (i.e.,  $\beta=0.413$ ,  $p<0.001$ ) and NPL success (i.e.,  $\beta=0.311$ ,  $p<0.001$ ), providing strong support for both **H2** and **H3**, respectively. The direct link found between RO and CA also forms a basis for studying mediation effects, as this path (c) represents the necessary condition for mediation (see Table 2).

Second, the results from the baseline model and mediation model 1 (see Table 2) are compared to test the hypothesized mediation effects in relation to hypothesis **H4**. All conditions for the mediating role of SFM between RO and CA are met as relationship orientation has a significant direct effect on SFM (i.e.,  $\beta=0.557$ ,  $p<0.001$ ), and the linkage between SFM and CA is supported (i.e.,  $\beta=0.409$ ,  $p<0.001$ ) as hypothesized in sub-hypotheses **H4a** and **H4b**, respectively. The results support full mediation as hypothesized in the main hypothesis **H4** as the strong and significant direct effect of RO on CA (c) seen in the baseline model becomes non-significant (i.e., from  $\beta=0.413$ ,  $p<0.001$  to  $\beta=0.185$ , n.s.) when the SFM construct is included in the research model (c').

Third, the results from the baseline model and mediation model 2 (see Table 2) were compared to test the hypothesized mediation in relation to hypothesis **H5**. Again, all conditions for the mediation are met as RO has a significant direct effect on RL (i.e.,  $\beta=0.367$ ,  $p<0.001$ ) and the linkage between RL and CA received significant support (i.e.,  $\beta=0.423$ ,  $p<0.001$ ), as hypothesized in **H5a** and **H5b**, respectively. The results demonstrate partial mediation as the direct effect of RO on CA shown in the baseline model (c) reduces but remains significant (i.e., from  $\beta=0.413$ ,  $p<0.001$  to  $\beta=0.255$ ,  $p<0.01$ ) when RL is introduced to the model (c'). Therefore the main mediation hypothesis **H5** is supported.

Finally, to analyze the broader nomological network among the research model constructs, we tested the complete research model; see Figure 2 for a summary of the results. Interestingly, the empirical results indicate that the relationships between the studied constructs are more complex than hypothesized, as the findings show two additional non-hypothesized mediation effects among the constructs discussed in detail below.

INSERT FIGURE 2 NEAR HERE

Hypothesis **H6** regarding the relationship between SFM and RL was confirmed (i.e.,  $\beta=0.613$ ,  $p<0.001$ ) when testing the complete research model. Hence, results confirm that SFM is a critical antecedent for implementing concrete RL activities in NPL contexts. The previously identified full mediation concerning the link between RO and CA also occurs when testing the complete research model. This confirms that the two mediators represent key constructs in the NPL context, and explains how relationship-focused organizational culture can be transformed effectively into practice.

Further, the introduction of the relationships between SFM and RL led to finding two additional mediation effects that are particularly interesting from theoretical and managerial perspectives. First, the relationship between RO and RL is fully mediated by SFM in NPL. In other words, the effect of RO on RL reduces (i.e., from  $\beta=0.367$ ,  $p<0.001$  to  $\beta=0.023$ , *n.s.*) when SFM is introduced to the research model indicating full mediation (see Figure 2 and Table 2). Second, the relationship between SFM and CA is fully mediated by RL in NPL. This full mediation occurs as SFM is positively connected to RL (i.e.,  $\beta=0.613$ ,  $p<0.001$ ), as RL is related to CA (i.e.,  $\beta=0.311$ ,  $p<0.01$ ), and as the SFM-CA link becomes non-significant (i.e., from  $\beta=0.409$ ,  $p<0.001$  to  $\beta=0.222$ , *n.s.*) when the RL construct is introduced to the research model (see Figure 2 and Table 2).

Overall, the findings foster our understanding on the implementation of the often highly abstract but central concept of RO providing an important contribution to the industrial marketing literature. The rationale for RO's positive impact on NPL performance can be explained through a relationship-oriented sales force engaging in RL activities that enhance CA for new products, which results in NPL performance. We discuss the theoretical and managerial implications of the findings in more detail in the next chapter.

## **6 Discussion**

### ***6.1 Implications for theory***

First, this study provides new empirical evidence on the importance of a relational perspective in the context of new product launches (NPL). More specifically, the results show that firms' relationship orientation (RO), referring to an organizational culture that emphasizes the importance of customer relationships (Day, 2000; Jayachandran et al., 2005), positively relates to customer acceptance (CA) and NPL success. This finding makes a substantial addition to existing mainstream NPL studies that have mainly applied a product centered or marketing mix perspective when considering effective strategic and tactical launch activities (see Calantone & Di Benedetto, 2007; Evanschitzky et al., 2012). Further, the results extend current knowledge concerning the role of firms' orientations in commercializing new products (e.g., Langerak, 2003; Langerak et al., 2004; Talke & Hultink, 2010a). The existing research on firm orientations in the NPL context is largely limited to investigating the role of firms' general customer focus through the market orientation concept for new product performance (e.g., Atuahene-Gima, 1995; Appiah-Adu & Singh, 1998; Baker & Sinkula, 1999; Matsuno et al., 2002; Langerak, 2003; Langerak et al., 2004; Ledwith & O'Dwyer, 2009), whereas this study provides a less examined relational explanation to NPL performance. The results of this study extend the earlier findings by demonstrating that RO represents an additional central predictor of NPL performance. In other words, in addition to sensing markets, gathering customer and competitor knowledge, and

responding to market information, firms benefit from paying explicit attention to relationships when launching new products. Theoretically, the RO's effect on CA in NPL can be explained due to lowered innovation diffusion barriers (see Talke & Hultink, 2010b) resulting from, for instance, higher customer participation and efforts to establish stronger relationships with customers (e.g., Huston & Sakkab, 2006; Fang, 2008). Our findings are also aligned with broader business marketing studies that have stressed the ongoing transition towards a more relational approach in business, as opposed to acting solely as suppliers according to the traditional sales-oriented approach presented in the general marketing and sales literature (see Möller & Halinen, 2000). While relational approaches are intuitively important in the management of existing long-term business-to-business clientele, it is a novel and much less intuitively self-evident finding that it is also a key determinant in successful implementation of NPL.

Second, the found mediation effects provide new detailed insight on key mechanisms that transform abstract RO into NPL performance. The findings demonstrate that firms' RO is a central driver of systematic sales force management (SFM) and relationship leveraging (RL) in NPL, which also fully mediate its impact on customer acceptance (see Figure 2). The first found mediation effect demonstrates that SFM plays a key role in transforming a firm's abstract RO to CA. More specifically, the findings show that RO has a major positive influence on firms' SFM practices in NPL such as controlling and rewarding the sales force; thus, supporting notions concerning the relational role of sales in business markets (see Storbacka et al., 2009). In turn, the second found mediation effect reveals that firms' RO is a central driver of systematic leveraging of stakeholder relationships in NPL. This mediation effect demonstrates that RL activities, emphasizing stakeholder participation and investments to establish relationships with key stakeholder in NPL (e.g., Huston & Sakkab, 2006; Fang, 2008), play a key role in transforming firms' abstract RO into improved NPL performance. In practice, RL highlights issues such as identification and involvement of opinion leaders; efforts to build

pre-launch product awareness among key stakeholders by involving potential early adopters; various market access-focused activities aimed at stakeholders and gatekeepers who can have a major impact on the adoption of new products, for example, through advisory board meetings; and also systematically building long-term relationships with key stakeholders, for example, through key account management practices (see Mantrala et al., 2008).

Third, the findings reveal that SFM plays a key role in transforming firms' abstract RO into concrete RL activities (see Figure 2). Much of the extant new product selling literature has examined issues such as sales force composition, effort and commitment to new product, motivation and training, and considers sales force a critical contributory factor to launch success (e.g., Cooper, 1998; Di Benedetto, 1999; Hultink & Atuahene-Gima, 2000; Fu, Richards, Hughes, & Jones, 2010). Our findings provide a significant addition to the existing knowledge by showing that systematic SFM is a key antecedent to effective RL activities when launching new products. This finding is particularly important as RO represents deeply embedded values and beliefs that establish the norms for appropriate behavior (Deshpandé et al., 1993; Day, 2000), which can be difficult to alter. Hence, in accordance with organizational culture-related research (Deshpandé et al., 1993; Moorman, 1995; Day, 2000), the desired outcomes, such as CA, and the means to achieve those outcomes, such as RL, should be confirmed and reinforced by communicating with and rewarding sales management.

Fourth, RL activities mediate fully the found positive impact of SFM activities on customer acceptance (see Figure 2). This finding emphasizes the utmost importance of RL activities in the NPL context as it accounts *fully* for the explanatory power of the SFM performance link to CA through the mediation. The findings of the close inter-linkage between SFM and RL align with the modern perspective that salespersons should recognize their role as relationship builders (see e.g., Weitz & Bradford, 1999; Crosby et al., 1990; Jolson, 1997), and more broadly emphasize the increasingly relational role of selling (cf. Storbacka et al., 2009; Haas, Snehota, & Corsaro, 2012).



## 6.2 *Managerial Implications*

Our findings call for a relational approach to complement the traditional approach for NPLs to effectively enhance commercialization of new products through *relationship-oriented* sales and marketing activities. The implications of our study provide a complementary approach to the extant NPL literature placing heavy emphasis on R&D aiming at producing innovative and superior products with product advantage (e.g., Szymanski, Kroff, & Troy, 2007), careful product/market positioning supported by marketing mix elements in commercialization (e.g., Calantone & Di Benedetto, 2007) and sales force management (e.g., Di Benedetto, 1999; Fraenkel, 2011) as key determinants for superior launch performance. The study provides evidence that relational approach is also centrally connected to customer acceptance and success in NPL context.

Our findings demonstrate the key importance of a relationship-oriented organizational culture in providing the necessary prerequisite for a relational approach to SFM and concrete leveraging of stakeholder relationships in NPL context. At the same time, the results indicate that benefits of RO will not be realized unless attention is paid to the details of SFM and RL. This implies that the outcomes of the relational focus cannot be realized as a pure management philosophy, but need to directly link with changes in sales and marketing activities. Still, the top-level managerial attention is crucial in forming relational mindset in the firm and transferring it to lower levels of the organization. Importantly, our findings indicate that top-level management can facilitate the implementation of RO into practice through concrete RL by communicating the importance of relationships to middle-level management in sales, and ensuring, for example, that SFM goals, management, and rewards are accordingly aligned. Further, for enhancing launch performance, sales and marketing activities aimed at creating a successful relational approach should be integrated. This is at odds with the practices of distancing

marketing and sales by, for example, outsourcing responsibilities to marketing agencies or coordinating marketing at the higher regional level while sales is performed country-by-country.

The results highlight particularly the key role of SFM in implementing relationship-oriented organizational culture in practice when commercializing a new product. In other words, if a firm wants to invest into stakeholder leveraging activities, systematic SFM is essential for their effective implementation. The centrality of SFM for concrete customer RL activities emphasizes the importance of managerial alignment of sales force goals, rewards, control, and processes to achieve the desired outcomes. In doing this, the average training and competence level of the lower-level sales and marketing personnel needs to increase as sales and marketing activities that take a relational approach require more insight, content, and emotional intelligence than more mundane product sales and marketing tasks.

The aspects of RO in establishing and maintaining customer relationships can be considered important also in longer time span of the launched product's R&D continuum, not only in the last commercialization phase. The link between customer relationship management and new product development has been found as a critical factor for increasing firm performance (see also Ernst, Hoyer, & Rübсаamen, 2010; Ernst, Hoyer, Krafft, & Krieger, 2011).

### ***6.3 Limitations and Future Research Directions***

This study includes some usual limitations of survey-based research – some of which offer also fruitful avenues for future studies. First, our study examines the impact of firms' RO on NPL performance and creates insights on key activities through which a relationship-oriented organizational culture is transformed into performance. In so doing, we focus only on a limited set of key mediators between RO and launch performance in the research model. Future studies should explore other possible mechanisms for translating relationship-oriented organizational culture into practice; for example, by

studying the possible relationship between RO and product advantage. We also call for future research examining potential contingencies for the identified key relationships. In addition, as the results indicate that RO has high predictive relevance for NPL performance, future studies on firm's orientations in NPL contexts should consider the interrelationships between relationship orientation and other types of firm orientations, such as market orientation, and explore their relative performance effects in one study. Furthermore, examining optimal extent of investments into building RO under different circumstances, given e.g. varying buyers' RO, could offer fruitful avenues for future studies.

Second, this study examines RO and launch performance in pharmaceutical industry context, which is highly research and development intensive (European Federation of Pharmaceutical Industries and Associations, 2013) and inherently relational in its nature (Rod & Saunders, 2009; Stros, Hari, & Marriott, 2009). Quite clearly, the focus on one specific industry sector might affect the generalization of results to less R&D intensive and relational industries. Still, the strength of the identified relationships suggests that the relational approach should impact launch performance also in other contexts and the underlines the need to consider various industry sectors in future studies. For example the leveraging of stakeholder relationships in new product launches should be highly relevant in a wide range of business marketing contexts dominated by novel offerings and solutions bearing a risk for the purchasers. In these contexts, the lowering of innovation diffusion barriers through working closely with key stakeholders will be of prime importance. All in all, we emphasize that the study is based on a single industry sample and, hence, generalizations should be made with caution; thus, we call for new studies to replicate the results in other industrial settings.

Third, the study has a seller-company perspective, which means that we relied on key informants in seller organizations. Therefore, inclusion of the buyer's or broader stakeholder data should supplement the findings of this study. In sum, although the study has limitations, it is among the first to consider the role of the relational approach in the NPL context, and to study key activities through

which a relationship-oriented organizational culture is transformed into launch performance in the NPL context.

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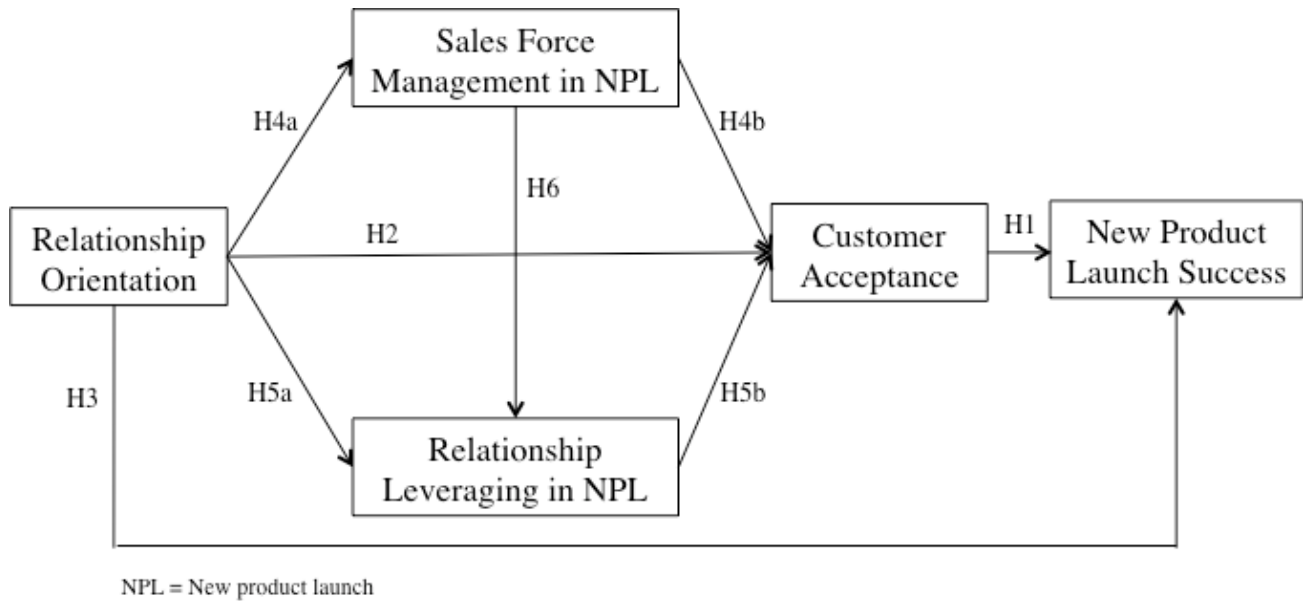
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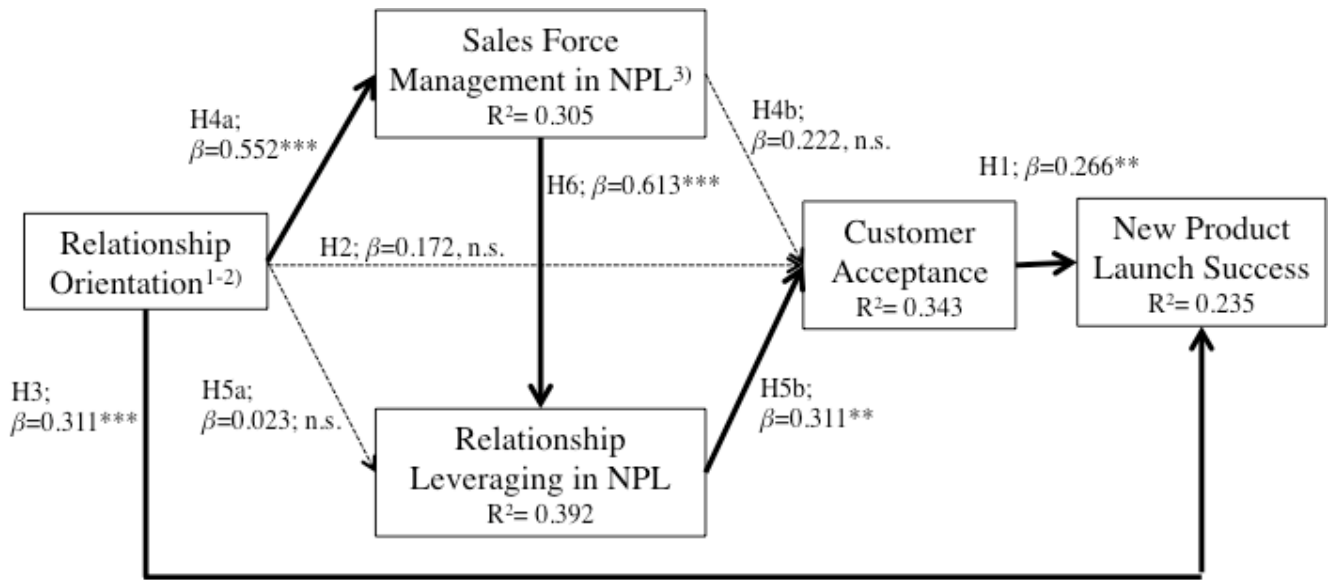
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**Figure 1. Conceptual Model**



Bold solid arrow = statistically significant,  $p<0.01$  or  $p<0.001$ ; Broken arrow = statistically not significant (n.s.); NPL = New product launch

<sup>1)</sup> RO-CA relationship is fully mediated through SFM and RL

<sup>2)</sup> RO-RL relationship is fully mediated through SFM

<sup>3)</sup> SFM-CA relationship is fully mediated through RL

**Figure 2. Complete Research Model**

**Table 1. Scales Validity and Reliability**

<b>Construct</b>	<b>Range</b>	<b>Mean</b>	<b>SD</b>	<b>Alpha</b>	<b>CR</b>	<b>AVE</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	
1. RO	3.1-7.0	5.99	.98	.95	.96	.76	<b>.87</b>					
2. SFM	1.4-7.0	5.89	.99	.87	.91	.66	.55	<b>.81</b>				
3. RL	1.0-7.0	5.13	1.14	.80	.86	.50	.36	.63	<b>.75</b>			
4. CA	3.2-7.0	5.58	.90	.86	.90	.64	.41	.51	.51	<b>.80</b>		
5. NPLS	-5.0-5.0	1.62	2.65	.82	.88	.64	.42	.33	.18	.39	<b>.80</b>	

Standard deviation (SD), Cronbach's alpha (Alpha), Construct reliability (CR);

Square-root of average variance extracted (AVE) on the diagonal in bold; Correlations off-diagonal

NPLS = NPL success

**Table 2. Partial Least Square Analyses**

	<b>Hypothesis</b>	<b>Relationship</b>	<b>Path Coefficient</b>	<b>T-value</b>	<b>Statistical Significance</b>	<b>Mediation</b>	<b>R<sup>2</sup></b>
<b>Baseline Model</b>	H1	CA -> NPLS	.265	2.871	<i>p</i> <0.01		.235
	H2	RO -> CA	.413	4.735	<i>p</i> <0.001	(c)	.171
	H3	RO -> NPLS	.311	3.334	<i>p</i> <0.001		.235
<b>Mediation Model 1</b>	H4a	RO -> SFM	.557	8.049	<i>p</i> <0.001	(a)	.310
	H4b	SFM -> CA	.409	3.748	<i>p</i> <0.001	(b)	.285
	H4	RO -> CA	.185	1.524	n.s.	(c') FM	.285
<b>Mediation Model 2</b>	H5a	RO -> RL	.367	4.127	<i>p</i> <0.001	(a)	.135
	H5b	RL -> CA	.423	4.535	<i>p</i> <0.001	(b)	.323
	H5	RO -> CA	.255	2.690	<i>p</i> <0.01	(c') PM	.323

n.s. = not significant; FM = Full mediation; PM = Partial mediation

## Appendix A. Description of Sample and Respondents

<b>Demographics</b>	<b>Number</b>	<b>%</b>
<i>Location of companies' headquarters</i>		
Finland	36	33.3
Outside Finland	72	66.7
<i>Company size (revenue in Finland)</i>		
< 50 million euros	40	38.1
50 - 100 million euros	25	23.8
> 100 million euros	40	38.1
<i>Company size (revenue outside Finland)</i>		
< 1 billion euros	25	25.3
1 - 5 billion euros	23	23.2
5 - 10 billion euros	7	7.1
> 10 billion euros	44	44.4
<i>Respondents' department in their companies</i>		
Business Development	2	1.8
Management	25	22.9
Market Access / Pricing	7	6.4
Marketing	53	48.6
Medical	5	4.6
Sales	14	12.8
Other	3	2.8
<i>Respondents' positions in their companies</i>		
Director	29	26.6
Manager	75	68.8
Other	5	4.6
<i>Respondents' experience in pharmaceutical industry (years)</i>		
1 - 5	5	4.6
5 - 10	20	18.3
10 - 15	34	31.2
15 - 20	20	18.3
> 20	30	27.5
<i>Respondents' familiarity with new product launch related practices</i>		
Very familiar	78	72.9
Quite familiar	29	27.1
Not at all familiar	0	0.0



## Appendix B. Constructs, Measurement Items and Indicator Loadings

Constructs	Items	Indicator Loadings
<i>1. Relationship Orientation<sup>1</sup> scale based on Jayachandran et al., 2005</i>		
RO1	In our organization, retaining customers was considered to be a top priority.	.89
RO2	Our employees were encouraged to focus on customer relationships.	.90
RO3	In our organization, customer relationships were considered to be a valuable asset.	.91
RO4	Our senior management emphasized the importance of customer relationships.	.83
RO5	We believed that establishing and maintaining strong and long-term customer relationships is a key to success.	.80
RO6	Our company was willing to invest time, effort, spending, and resources on building stronger customer relationships.	.87
RO7	Our company was committed to maintain valued relationships with our customers and was willing to work at maintaining those.	.88
<i>2. Sales Force Management in NPL<sup>1</sup> scale based on Fraenkel, 2011</i>		
SFM1	Adequate sales resources had been allocated for the launched product.	D
SFM2	Sales people had been given a thorough training and were knowledgeable about the launched product.	.77
SFM3	Sales people were motivated and enthusiastic about the launched product.	.87
SFM4	Sales people were held accountable for the targets of the launched product, and their compensation and/or incentives were aligned with the targets.	D
SFM5	Sales people's activity (e.g., processes, practices, and techniques) were well controlled and managed during the launch period.	.83
SFM6	Sales people and other personnel working in customer interface recognized their roles as relationship builders.	.80
SFM7	Sales worked closely with marketing to make the launch successful.	.81
<i>3. Relationship Leveraging in NPL<sup>1</sup> – new scale</i>		
RL1	Key opinion leaders (KOL) were identified and involved in the product launch.	.72
RL2	Our company had close customer interaction during the product development process of the launched product (e.g. clinical trials)	.51
RL3	Our company initiated early market pro-activeness activities (e.g., arousal of interest, market awareness, involvement of opinion leaders,	.72

	and product education).	
RL4	We provided high-quality training (e.g., continuing medical education) for our customers.	.76
RL5	Our company had implemented effective key account management (KAM) practices.	.73
RL6	Relationship-related market access activities (e.g., advisory board meeting, activities towards decision-makers and payers) were successfully implemented in a timely manner.	.79

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*4. Customer Acceptance<sup>1</sup> scale based on Griffin and Page, 1993 & 1996*

CA1	The launched product was rapidly accepted by key opinion leaders (KOL).	.80
CA2	The launched product was accepted by majority of the target customers.	.79
CA3	Customers were satisfied with the launched product.	.75
CA4	Customers were positively referring (word-of-mouth) the launched product to other potential customers.	.85
CA5	Our company succeeded to expand product's demand through relational networking among our customers.	.79

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*5. New Product Launch Success based on Griffin and Page, 1993 & 1996*

NPLS1 <sup>2</sup>	How successful was the product launch in meeting its sales target?	.86
NPLS2 <sup>2</sup>	How successful was the product launch in meeting its market share target?	.84
NPLS3 <sup>2</sup>	How successful was the product launch in meeting its profitability target?	.79
NPLS4 <sup>3</sup>	How would you rate the overall success of your company's selected product launch perceived as a whole?	.71

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<sup>1</sup> The response options ranged from '1 = Strongly disagree' to '7 = Strongly agree'.

<sup>2</sup> The response options ranged from '-5 = Far below target' to '5 = Far above target'.

<sup>3</sup> The response options ranged from '-5 = Launch was very unsuccessful' to '5 = Launch was very successful'.

D = Dropped indicator.

## Appendix C. Indicator Cross-loadings

Items	Constructs				
	Customer Acceptance	Relationship Leveraging	Relationship Orientation	Sales Force Management	New Product Launch Success
CA1	<b>.7975</b>	.4681	.2935	.4164	.3038
CA2	<b>.7876</b>	.3897	.3325	.4082	.2649
CA3	<b>.7527</b>	.2578	.3668	.3917	.2812
CA4	<b>.8543</b>	.4651	.2857	.3978	.3166
CA5	<b>.7906</b>	.4352	.3528	.4248	.3856
RL1	.3881	<b>.7166</b>	.2705	.4254	.1727
RL2	.2505	<b>.5106</b>	.1470	.2231	.0222
RL3	.3560	<b>.7222</b>	.2362	.4446	.1377
RL4	.3527	<b>.7547</b>	.2635	.5588	.1297
RL5	.3916	<b>.7253</b>	.3556	.4922	.0919
RL6	.4191	<b>.7880</b>	.2308	.4411	.1762
RO1	.3543	.3045	<b>.8917</b>	.4788	.3497
RO2	.2929	.2930	<b>.8990</b>	.5128	.4126
RO3	.3086	.2843	<b>.9064</b>	.4725	.3390
RO4	.2628	.2729	<b>.8276</b>	.3692	.3553
RO5	.4026	.2497	<b>.8027</b>	.5114	.3782
RO6	.4542	.3928	<b>.8715</b>	.4910	.3831
RO7	.3714	.3821	<b>.8806</b>	.5010	.3294
SFM2	.4472	.4995	.3937	<b>.7645</b>	.1920
SFM3	.4656	.6021	.3990	<b>.8689</b>	.2766
SFM5	.3615	.5118	.4550	<b>.8257</b>	.2825
SFM6	.3612	.4291	.5053	<b>.7998</b>	.3750
SFM7	.4400	.4926	.4987	<b>.8058</b>	.2316
NPLS1	.2299	.0804	.2506	.2302	<b>.8600</b>
NPLS2	.2794	.1576	.3525	.2631	<b>.8412</b>
NPLS3	.3011	.1410	.3110	.2639	<b>.7878</b>
NPLS4	.3943	.1681	.3816	.2816	<b>.7083</b>