

**The Influence of Marketing - Design Agency Collaboration on NPD Performance:
An Empirically-Derived Framework**

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Abstract:

While marketing increasingly resorts to external design agencies to increase product innovativeness, very little research has specifically focused on this specific collaboration. Yet external design agencies require specific relationships patterns that can affect new product development (NPD) performance. Literature on marketing and design identified some reasons of existing tensions between these two functions, it mainly focused however on collaboration with internal design and did not provide an integrative framework. We thus still do not know what factors influence the NPD performance in the collaboration between marketing and external design agencies. Drawing on nine case studies from the luxury fragrance and cosmetics industry, this study forms a dyadic perspective from both marketing departments and external design agencies and analyzes the NPD process using a sequence of events to reveal emergent patterns in NPD successes and failures.

From a theoretical perspective, this research provides a theoretical framework of performance factors in the collaboration between marketing departments and external design agencies. It identifies three new variables that affect the performance of this collaboration. One that is linked to the partner attribute: the key assets of the design agency, and two that are related to the collaborative process: the number of NPD stages on which the partners collaborate and the partner's commitment to respecting brand identity. This research therefore extends existing knowledge in the business-to-business literature by identifying a new first-order factor of the "relationship quality" construct: the importance of the partner's commitment to respecting brand identity. This factor appears to be essential to ensuring NPD performance in the collaboration between a business-oriented function (marketing departments) and a creative industry (external design agencies).

From a managerial perspective, this research provides guidelines for both marketers and designers on ways to improve their relationship. As the frequency of these collaborations is increasing, a better understanding of these performance factors can help them achieve successful collaboration leading to highly competitive product innovations while being consistent with brand identity.

Keywords: Marketing, Design Agencies, Business-to-Business, NPD Performance

1. Introduction

In the open-innovation process where companies call on external partners to develop their innovative potential, many companies outsource design and work with external design agencies to increase innovativeness (Perks et al., 2005; Abecassis-Moedas & Benghozi, 2012). In Europe, a growing part of companies' design budget is now dedicated to external design agencies that are mainly specialized in product design. In France, it represents 45% of companies' design budget; in the UK this budget increased of 22% between 2005 and 2010¹. In such cases, the marketing department is often the key contact for the external design agency in the new product development (NPD) process (Chiva & Alegre, 2007; MacPherson & Vanchan, 2009).

Building a successful relationship between these two entities is not easy, however (Von Stamm, 2008). Differences between marketing, a business-oriented function, and design, a creative industry, may create tensions that are difficult to manage and that could potentially affect NPD performance. While many research has been analyzing collaboration between marketing and design departments within a company identifying critical stages in the NPD process (Veryzer, 1998; Beverland, 2005; Zhang et al., 2011), relatively little research has been conducted on the interaction between marketing departments and external design agencies (Bruce & Cooper, 1997; Bruce & Daly, 2007). While this latter research suggests design-management guidelines such as design agencies selection process, brief or design output evaluation, neither factors that are specific to this collaboration are identified, nor the influence of this collaboration on relationship performance during the NPD process and we still do not know how marketing departments may improve the collaboration with external design agencies to positively influence NPD performance.

Given this background and since design integration in the NPD process within market-oriented companies is an important field of investigation for marketing (Luchs & Swan, 2011; Melewar et al., 2014) that figures among Marketing Science Institute research priorities², our paper aims to address this gap in the literature and provides insights into the factors that affect the performance of the collaboration between marketing departments and external design agencies during the NPD process. The following question will be addressed: What are the factors that affect performance in the collaboration between marketing departments and external design agencies in the NPD process?

The paper is organized as follows. In the next section, the review of literature shows that the role of marketing in the NPD process might be enhanced by specific design skills if both parties manage to overcome tensions. Preliminary factors of performance are suggested. In Section 3, we present our methodology based on multiple dyadic case studies. After presenting the results (Section 4), we discuss them and underline the limitations and managerial implications of the research (Section 5).

2. Theoretical Framework

2.1 Role of marketing and design in the NPD process

As Verhoef and Leeflang (2009) suggest, innovativeness of marketing department, which is defined as the degree to which it contributes to the NPD, represents a major driver of its influence within the firm and therefore is positively linked to innovation performance (Drechsler et al., 2013). As marketing emphasis is to provide knowledge and skills to better

¹ Economie du design. (2010). Economie du design. France: Direction Générale de la Compétitivité de l'Industrie et des Services (DGCIS), Ministère de l'Economie de l'Industrie et de l'Emploi, France.

² <http://www.msi.org/research/2014-2016-research-priorities>

connect customer to the new product (Moorman & Rust, 1999), resorting to design therefore appears to be a means for marketing to increase its innovativeness. Designers' ability to reconfigure symbols and signs helps creating new products that generate meaning and emotion and maintaining competitive advantage (Verganti, 2003). Designers are also able to interpret and respond to emerging lifestyles and social trends which contributes to develop product uniqueness and foster desirability (Ravasi & Lojacono, 2005; Brakus et al., 2014).

Resorting to external design agencies in the NPD process is also a means to generate more radical innovation than in-house or mixed approaches (Perks et al., 2005). Since they reside outside the boundaries of the firm, external designers bring fresh idea and knowledge (Dell'Era & Verganti, 2010). They can therefore more easily ignore market research and feasibility studies and be less constrained in their creative processes (Ravasi & Lojacono, 2005). Hargadon and Sutton (1997) argue that design consultancies own rare competencies since they derive their effectiveness from their position as knowledge brokers, working with clients from diverse industries. Moreover, these competencies are also closely linked to their inherent key assets (Abecassis-Moedas et al., 2012). This research suggests a typology of external design agencies based on their key assets: *star-based* design agencies which rely on individual talent, *process-based* which rely on specific creative processes and organizational capabilities, and *customer-based* which are characterized by their physical and organizational flexibility.

Besides the complementary nature of marketing and design in the NPD process, the differences between design and business approaches may create tensions that are difficult to manage (Beverland, 2005; Hoffmann et al., 2007). Marketing seeks commercial success and brand consistency (Beverland, 2005), whereas design also values design originality and awards (Ordanini et al., 2008). Cost constraints and short lead times make marketing departments reluctant to take risks. But, as a creative activity, design is inherently linked with uncertainty (Cooper & Press, 1995; Ordanini et al., 2008). Designers' creativity is often correlated to extrovert personalities which make difficult the acceptance of conventional management method (Florida, 2002). While marketing methods extensively rely on reporting, control and quantified results, the design approach is based on exploration and risk-taking (Borja de Mozota, 2003), with designers valuing lifestyle projects, freedom and independence (Chaston, 2008). Moreover, resorting to external design agencies also increases complexity and the level of risk versus internal design (Von Stamm, 2008). Control of the client relationship is crucial to improve NPD performance (Roy & Potter, 1993; Von Stamm, 2008). Despite tensions, both entities must create an optimal environment since any communication problem between them can increase lead time, costs and product iterations. A "modus operandi" has to be found for their relationship to be effective since design knowledge and its management in inter-firm alliances can generate a sustainable and distinctive competence that is difficult to replicate or substitute (Bruce & Jevnaker, 1998).

2.2 Preliminary performance factors

While no former paper to our knowledge has addressed the specific question of the factors favoring the performance of the marketing/design collaboration, we can infer from related research to suggest some factors. The design literature underlines the importance of respect for designers, common understanding of final objectives, clear role definition (Cooper & Press, 1995), trust (Bruce & Jevnaker, 1998), early involvement of designers in the NPD process (Kotler & Rath, 1984) and the ability of the design agency to transfer new knowledge (Verganti, 2003). Other performance factors are suggested by literature and meta-analysis on NPD and cross-functional integration such as the importance of early product definition, the existence of a formal new-product process and top-management support (Montoya-Weiss &

Calantone, 1994; Cooper & Kleinschmidt, 1995). It also highlights the importance of organizational factors such as the degree of interpersonal interaction, the existence of a reward structure and the intensity of communication (Song et al., 1997). Successful information and transfer mechanisms contribute to improving interfunctional integration, which leads to stronger internal consistency and greater NPD success (Bailetti & Litva, 1995). As collaboration between marketing departments and external design agencies is a business-to-business relationship, factors can also be identified using social exchange theory (Morgan & Hunt, 1994), which considers that the best performing exchanges are those that abide by relational norms. Interpersonal variables such as trust and commitment are important drivers of the dyad. Specifically, in the marketing relationship literature, the holistic construct of *relationship quality* (Palmatier et al., 2006; Palmatier, 2008) assesses relationship strength. This construct captures unique aspects of the relationship that are not only commitment and trust, but also reciprocity norms and exchange efficiency (Palmatier, 2008). Furthermore, it is shown that relationship quality influences performance, especially sales and profitability, and is influenced by previous relationship duration (Palmatier et al., 2006) and contact authority (Palmatier, 2008).

A synthesis of these three fields of study (design management, NPD and B-to-B) allows us to classify these variables into two distinct categories: (1) the partnership attributes, that are characterized by the dyadic antecedents such as the existence of a previous collaboration and the hierarchical level of the brand contact; (2) the collaboration process defined as the relationship quality. Yet, despite strong convergence on most of the variables in these three distinct fields, some factors and mechanisms specific to this collaboration may not be integrated in this framework while influencing NPD performance. Through a detailed analysis of the collaboration process, our research aims to confirm this theoretical framework while identifying potential new performance factors.

3. Research Methodology

3.1. Research settings and case selection

Since no previous research had specifically handled this issue, this was an exploratory research about a complex phenomenon that was not well understood. Consequently, case research appeared particularly appropriate (Yin, 2009). Our methodology followed a multiple case study based on a dyadic approach involving both marketers and designers. This methodology enabled to have a truly and precise understanding of this relationship and to generate new insights (Eisenhardt, 1989). The multiple case study approach also helped compare the findings across a range of situations, strengthen the validity of the results and draw out contextual differences (Yin, 2009). The luxury fragrances and cosmetics industry was chosen because coordination between marketing and external design is key in such activities: product design plays a major role in product differentiation; marketing is usually in charge of coordinating the NPD process and often resorts to external design agencies. Case studies were selected following a theoretical sampling and not a statistical one (Eisenhardt, 1989). All cases were selected based on a common characteristic: they dealt with innovative products linked to the launching of a new brand that implied the creation of new primary packaging, such as a fragrance bottle.

To determine whether the projects were perceived as being a success or failure, we evaluated managerial perceptions on criteria based on the theoretical definition of NPD performance made up of two main components: financial performance and commercial performance (Montoya-Weiss & Calantone, 1994; Brown & Eisenhardt, 1995; Troy et al., 2008). Financial performance is mostly defined using sales and profitability metrics. Commercial performance

is defined through the evolution of market shares and sales. Griffin and Hauser (1996) consider another dimension that is client satisfaction (final consumer). Our research will analyze NPD performance, which includes financial and customer performance (sales, profitability, market share) and to which we added customer satisfaction. This information was then double-checked with NPD group panel data related to sales and market shares when available to increase reliability. Two polar sets of cases were identified: commercial successes (4 cases) and failures (5 cases). Success cases were defined as cases that met at least two of these three criteria (four cases). Failure cases were defined as cases that met none or only one of these criteria (five cases) (Table 1). The study focused on products launches that took place within the last three years to avoid a bias linked to the a posteriori reconstruction of the phenomenon.

3.2. Data collection and analysis

The unit of analysis consists of the marketer - designer dyad during their collaboration on the new product development. Marketers were mostly senior managers working in multinational companies, with an average of nine years experience, and were in charge of the collaboration with design agencies. Designers were both project leaders and owners of their design agencies, which were considered to be small to medium-sized enterprises. The number of cases studied corresponds to Eisenhardt's approach who suggests choosing between four and ten case studies (Eisenhardt, 1989, p.545). Data was collected through 18 face-to-face interviews lasting between 45 and 90 minutes. The interview notes were triangulated with documentary data (panel data, websites) to strengthen the validity of the proposals. The interviews followed a detailed, semi structured interview guide, organized around the following topics: (1) the context and objectives behind the new product launch to identify how product success and performance were assessed; (2) the story of the marketing-design relationship in order to identify roles and understand the interaction process; (3) how and when the design agency was integrated into the NPD process to understand any potential impact on the performance of the collaboration. Each interview was recorded and transcribed. Data analysis and codification followed Miles and Huberman (2003)'s approach first using deductive thematic codes from the literature and then inductive codes extracted from the empiric material. This data was sorted, codified and analyzed on the qualitative software program NVivo. Following Eisenhardt's approach (1989), we first conducted a within-case analysis to get a sound understanding of each collaboration. We then adopted a cross-case comparison technique. As patterns emerged, other cases were added. Each new case helped us to refine our coding and make it more robust. This analysis process whereby cases are grouped into different categories helped us to identify a global pattern (Yin, 2009). For the rest of the paper, the standard designations used are as follows: the successful cases will be called S (S1, S2, S3, and S4); the failure cases will be called F (F1, F2, F3, F4, and F5). The distinction between marketers and designers will be shown as follows: S1_M for marketers and S1_D for designers.

4. Findings

We have analyzed how marketing departments and external design agencies collaborated in the NPD process and how different types of collaboration may influence NPD performance. While confirming factors of performance already identified in the literature, this in-depth analysis helps to identify other underlying factors that influence performance leading to an empirically-derived framework of performance factors in marketing department-design agency collaboration in the NPD process (Figure 1). We have formulated their impact in a set of five research propositions.

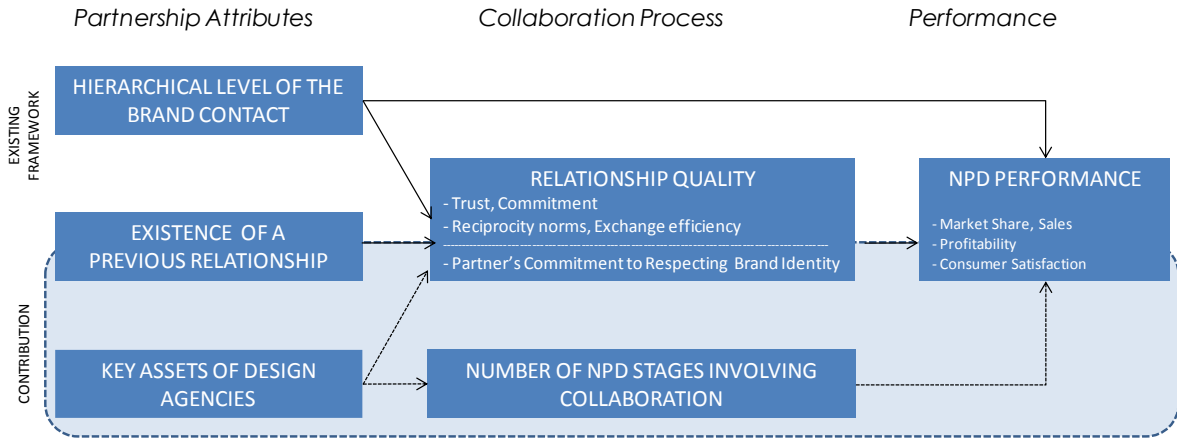


Figure 1. An Empirically-Derived Framework of Performance Factors in Marketing Department- Design Agency Collaboration in the NPD process

Designer Commitment to Respecting Brand Identity: Antecedents and Consequences

Existence of a previous relationship. As suggested earlier by our data and the literature, a prior relationship between marketing departments and external design agencies was essential, especially for NPD successes. Specifically in three cases [S2, S3, S4], design agencies had a long-term relationship with marketing departments and had been working closely with the brands on other new product development. Data showed that in these three cases, long-term collaboration between design agencies and marketing departments contributed to designing products that were consistent with brand identity. As they were already used to working with the marketing departments, the external design agencies adhered more closely to brand identity, history and values. They acquired deeper brand knowledge and thus were better able to meet the marketing department's expectations, suggesting designs that echo brand values. This brand knowledge was essential in order to make the product design fit the brand and increase product differentiation with competitors. Consider S3 and S4:

They knew the brand very well since they had worked previously on project X This packaging was unique and was attributed to brand 3. According to female consumers: "No other brand could have done it except brand 3". (S3_M).

The added-value of brand 4 is to develop extraordinary products with premium positioning We chose to work with the designer because she knows the brand by heart, she know its heritage perfectly Consumers liked this luxurious, artistic, gold product. (S4_M)

This product is inspired from brand's heritage. It gives prestige and value to the brand. (S4_D)

On the other hand, the previous collaboration in failure cases [F2, F5] was shorter and was related to smaller-scale projects. Design agencies had only worked on one project beforehand. Regarding F5, this project did not even concern the development of a new product since it was graphic design development for a new packaging charter. Based on these findings, our results suggest a positive link between the existence of a previous relationship and the creation of designs that are consistent with brand identity.

Proposition 1: The existence of a previous relationship between the marketing department and the design agency increases the designers' commitment to respecting brand identity.

Key Assets of Design Agencies. As stated in the theoretical framework, three types of design agencies emerged, based on different key assets. These key assets correspond to their specific resources and skills (i.e. creativity-based skills, process-based skills, or flexibility-

based skills). Process-based design agencies [S1, S2] adopt specific methods to immerse themselves in the brand's values and therefore take the lead on the early stages of the process. They do not hesitate to challenge the initial brief and propose new directions for the brand. Customer-based agencies [S3, S4, F1, F4, F5] do not question the initial marketing objectives. They often include codes communicated by marketing departments in their early designs, especially design agencies that did not have a previous relationship with the brand [F1, F4, F5]. Lastly, star-based design agencies' activity is initially based on object creation (such as furniture for example) sold under their own signature. They possess strong creative skills and a personal style, which can make it difficult to adapt to a brand's values.

Consider the following contrasting statements from a customer-based, a process-based and a star-based design agency, respectively:

You can always question the brief, but it was not our objective. (F1_D)

We truly believe in the history of brands and we absolutely do not want to distort or to influence it with the style of our designer. We put the brand first.... So the first objective to establish a brand over time is to define its territory. A territory which gives it a spirit, a recognizable style that we will draw on to effectively create recognizable attributes. (S2_D)

He creates from scratch. He likes innovative things that never existed before. He did not adopt a marketing approach and he did not try to find out what had already been done in the history of the brand.... He just wants to have fun and create new shapes. He does not care if it fits your brand or your target.... The bottle is not very original, not very fun, it is not what fits best with our concept. We had to recreate a link between the bottle and the story we wanted to tell. (F2_M)

These findings show that the characteristics of the design agency influence the designer's commitment to respecting brand identity and supports the following proposition:

Proposition 2: The key assets of design agencies influence the designer's commitment to respecting brand identity.

Proposition 2a: Customer-orientation of the design agency does not influence the designers' commitment to respecting brand identity.

Proposition 2b: Process-orientation of the design agency positively influences the designers' commitment to respecting brand identity.

Proposition 2c: Creative-orientation of the design agency negatively influences the designers' commitment to respecting brand identity.

NPD Performance. When looking more closely at the projects that met with commercial success, our data showed that the design agencies had fully grasped the marketing vision and brand identity. Some of them managed to do so before beginning the early design stage, even though they were not initially involved in the concept generation stage. According to marketers, NPD success was mainly due to the consistency of the packaging with brand identity:

Nowadays the packaging is the main element in our luxury industry....This packaging was so strong and embodied the brand mix so well that we used it everywhere: in TV and press advertising, on point-of-sales material visuals, on folding boxes....Thanks to this project we gained market share. (S3_M)

*New product design boosted the sales volume.... We achieved our objectives.
Our growth rate is +40%. (S1_M)*

On the contrary, in the projects that suffered commercial failure, the designers were not always fully committed to integrating brand values, which led to products that were not totally consistent with the brand's identity. In F3, the brand was very feminine, referred to fashion and used flowers as a main code. The marketing department's objective was to appeal to young women and teenagers. They aimed at girls between 15 and 25 years old that the brand

had progressively lost to more modern and trendy brands. Yet the designer recognized he had not fully integrated the brand requirements:

I wanted to suggest alternative designs, not another classical fragrance bottle, but something different.... I think that at the end of the day this fragrance bottle was slightly too intellectual for the target of the fragrance market where you have to appeal to women and to be girly. Personally I am not used to focusing on this anecdotal dimension.... The bottle is a little bit too cold, because it is plain white. We could have added some ornamentation; it looks a little bit old fashioned.... It may be slightly too simple. (F3_D)

In the data analysis section, we observed that a previous relationship influenced the design agency selection process and commercial performance in most of the cases. These findings allowed us to identify one underlying mechanism linking these two variables (previous relationship and commercial success): the importance of designer commitment to respecting brand identity. These findings also showed that the characteristics of design agencies could positively influence performance if designers were committed to respecting brand identity. Therefore our findings support the following proposition:

Proposition 3: The greater the designers' commitment to respecting brand identity, the better the NPD performance.

Number of NPD stages involving design agencies: Antecedents and Consequences

Key Assets of Design Agencies. The influence of design agencies' characteristics on their integration into the NPD process particularly drew our attention. We observed that customer-based design agencies were mostly involved in the early design and development stage of the NPD process, while the other agencies were involved in those stages but also others, such as the concept generation stage, the late design and development stage and/or the launch stage. We considered whether it was a deliberate choice by marketing departments from the beginning of the project or if it was influenced by the key assets of the design agencies. Concerning the idea generation and concept stages, the involvement of design agencies was a deliberate choice by marketing. The involvement of star-based agencies during the launch stage was a clear initial objective for marketing departments. However, the involvement of design agencies during the late design and development stage was not determined beforehand. It transpired that the design agencies spontaneously involved themselves in the late design stage. Potential benefits in term of quality and costs were clearly identified and accepted by marketing departments.

Proposition 4: The key assets of design agencies influence the number of stages involving designers.

NPD Performance. Further comparison of NPD collaboration patterns between success and failure cases highlighted the importance of design agency involvement all along the NPD process. This event analysis enabled us to determine that successful NPD projects are the ones in which designers are the most intensively integrated. The NPD literature already showed the positive link between design integration in the early stages of the collaboration and NPD performance (Cooper, 2008). More specifically, our findings suggest that involvement of design agencies over a long period of time, especially in the late design stage, was linked to successful NPD cases. Involving design agencies all along the NPD process is a means to assure marketing departments of final product quality in terms of functionality, aesthetics and consistency with brand values.

We also considered the potential influence of agency specialization in terms of design services (graphic design, retail design, web design, etc.) on the performance of the collaboration. However, our findings did not suggest any link here.

Proposition 5: The more stages in which designers are involved, the better the NPD performance.

5. Discussion and Conclusion

Through this multiple dyadic case study research, we have identified a number of variables that show a linkage with or complement existing concepts in the marketing, NPD and design literature.

This research brings additional knowledge to the business-to-business literature (Palmatier et al., 2006; Palmatier, 2008), which identifies certain mechanisms that influence NPD performance, suggesting that collaboration between a business-oriented function (marketing departments) and a creative industry (external design agencies) possesses distinct characteristics. Specifically, our research suggests the existence of a new first-order factor of the “relationship quality” construct: the importance of designers’ commitment to respecting brand identity. Our findings suggest that the relationship between a marketing department and an external design agency has to be built on a common vision of brand history, values and objectives, based not only on information sharing and exchange efficiency but also on the designers’ commitment to respecting brand identity. According to our findings, this is a main performance factor in the marketing-design collaboration. Yet, this variable is not limited to external design agencies; it could also be extended to external partners when dealing with marketing issues, which led us to rename it in the final theoretical framework: “partner’s commitment to respecting brand identity”. More generally, this new factor emphasizes the importance of strategic vision alignment between the two partners in an interfirm collaboration as source of interorganizational competitive advantage as suggested by the relational view theory (Dyer & Singh, 1998).

These findings also extend the NPD literature, which emphasizes the necessity of having a deeper understanding of the NPD-branding interface and especially of the interface between NPD, branding and design (Hultink, 2010). Furthermore, previous studies in the NPD literature suggest that marketing departments should involve design agencies at the front-end of the NPD process to improve the performance of those stages and introduce new ideas (Kotler & Rath, 1984; Cooper, 2008). The data from our research show that, with one exception, design agencies were not officially involved in the concept generation stage. Yet some of the design agencies managed to assimilate the brand’s values and incorporate them into their work. Moreover these findings show that the number of stages involving designers influences NPD performance. These results suggest that although early involvement is important, it is not a major determinant of performance in collaborations between marketing departments and external design agencies. The results tend rather to suggest that when dealing with external design agencies, the performance issue has less to do with involving design early in the process than involving design agencies in many stages of the NPD process and implementing mechanisms so that design agencies will be highly committed to respecting brand identity.

Lastly, this multiple case study adds knowledge to the design management literature. These findings extend the work of Abecassis-Moedas et al. (2012), which suggests that design agencies can be divided into three categories according to their key assets. Our findings show that, depending on their key assets, design agencies were more or less committed to respecting brand identities and involved in the different stages of the NPD process. For example, agencies led by famous designers were asked to express their own vision and therefore were able to make use of their creative skills. This strong creative orientation led marketers to capitalize on these design agencies’ assets only in the early design stages and on their celebrity during the launch phase. Our research also shows that these agencies’ key assets translate into less designer commitment to respecting brand identity. On the other hand,

agencies that possessed specific methods and processes managed to assimilate the brand vision and therefore took over the leadership of the project. They also stayed involved in the NPD process longer. Lastly, customer-based agencies adapted their proposals to their clients' needs and requests. Yet, these results show that this key asset resulted in a weaker commitment to respecting brand identity since designers were unwilling to challenge the marketers' interpretation of brand identity, especially in the absence of a previous relationship with the marketing department.

We might have expected it to be difficult for marketers to manage designers' creativity and therefore that this would have negatively influenced the performance of the relationship. However this research did not detect such a phenomenon or, at least, did not suggest that marketers were aware of it. While confirming the existence of divergent thinking as suggested by the design management literature (Beverland, 2005), our results suggest that no strong tension appeared between marketers' business demands and designers' artistic aspirations in the NPD process. These findings suggest that the existing tensions between artistic and commercial imperatives might be mitigated by the business-to-business context of the collaboration. The aspiration for creative freedom is therefore not a potential source of tension impeding NPD performance, but rather a simple component of the relationship. The buyer-supplier relationship is forged by the underlying commercial transaction, which may influence the design agencies' attitude: they are willing to satisfy their customer in order to ensure future collaborations.

From a managerial perspective, this research suggests some guidelines for both marketing departments and external design agencies on ways to improve their relationship. The frequency of these collaborations makes it vital for them to have a better understanding of these performance factors. These guidelines can help them better choose their partners and achieve an effective collaboration leading to highly-competitive product innovations. Our results suggest that marketing managers should handle the relationship with customer-based and star-based design agencies very carefully. For example, to strengthen designers' commitment to respecting brand identity, a brand-monitoring evaluation should be conducted at the end of each stage and included as a criterion in the checklist used to take the go/kill decision as presented in Cooper's stage-gate approach (2008). In our findings, none of the star-based design agencies was linked to NPD success. Yet their influence on performance could have been more positive if both the marketing department and the design agency had managed to improve the designers' commitment to respecting brand values.

This research also has limitations. First, our research relies on interviews that enabled to analyze different patterns of collaboration and suggest performance factors, but observations *in situ* and process analysis might give a more precise understanding of this collaboration. Second, our exploratory study focuses on a specific industry; a comparison with other industries (high-tech for example), would be needed to enlarge the external validity of our findings. Thirdly, as this study focused on the product design, this study would benefit from a comparison with other types of design (packaging, web, graphic) to strengthen the external validity. Finally, a quantitative survey on a larger sample would enable to generalize results and analyze the respective weight of each factor in their contribution to performance. Especially, in different industries or different product categories weight of different factors might vary. A factor ranking could thus be done to fine-tune the understanding of this collaboration.

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Table 1. List and Characteristics of Case Studies

Case	Launch Date	# Interviews	Brand Description	NPD Products Description	Types of Marketing Informants*	Design Agency Profile	Types of Design Informants*
S1	2008	2	Chinese brand to be introduced in Europe.	Skincare, Global Range, Women target Contemporary Chinese jars	Senior Product Manager (7)	Process-Based Agency - 11-50 employees	Design Agency CEO (19)
S2	2010	2	Luxury jewelry brand to launch a fragrance.	Fragrance, Women target Bottle shape inspired by a precious stone	Marketing Manager (10)	Process-Based Agency - 100-200 employees	Design Agency Top Executive (15)
S3	2010	2	Well-known French luxury brand with strong international positions.	Skincare, Anti-Ageing, Women target Bottle shape inspired by alveolus	Senior Product Manager (6)	Flexible Agency - 11-20 employees	Design Agency CEO (9)
S4	2011	2	Well-known French luxury brand with strong international positions.	Make-up, Lipstick, Women target New lipstick shape and mechanism	Marketing Manager (9)	Flexible Agency - 1-10 employees	Design Agency CEO (15)
F1	2008	2	Italian fashion brand introducing a new fragrance in its portfolio.	Fragrance, Men and Women targets Transparent bottle	Marketing Director (25)	Flexible Agency - 1-10 employees	Design Agency CEO (16)
F2	2011	2	International luxury brand with Japanese origins.	Fragrance, Young Women target Bottle shape inspired by the infinity sign	Senior Product Manager (6)	Star-Based Agency - 11-50 employees	Design Agency CEO (29)
F3	2009	2	French brand with international positions owned by a multinational company.	Fragrance, Women target Bottle shape inspired by a powder jar	Marketing Manager (8)	Star-Based Agency - 11-50 employees	Design Agency CEO (20)
F4	2011	2	Well-known international fashion designer brand introducing a new fragrance.	Fragrance, Women target Cylindrical bottle shape	Marketing Manager (13)	Flexible Agency - 1-10 employees	Design Agency CEO (25)
F5	2011	2	French brand with limited international activity owned by a multinational company.	Fragrance, Women target Bottle shape inspired by a woman's hat	Product Manager (4)	Flexible Agency - 1-10 employees	Design Agency CEO (19)

*The number in brackets corresponds to the number of years of professional experience

Table 2. NPD Performance Outcomes

Case*	Profit	Market share/Sales	Fit with consumer needs
S1	"Agency helped us to improve profitability." (S1 _M)	"We achieved our objectives. Our growth rate is +40%" (S1 _M)	"Our customers liked the design very much." (S1 _M)
S2	"Profitability levels were consistent with what was initially decided." (S2 _M)	"Fully in line with our expectations in terms of turnover and sales volumes." (S2 _M)**	"You should not rely too much on consumer feedback (...) There were no consumer tests." (S2 _D)
S3	"It is a commercial and financial success, because we reached and even exceeded targets." (S3 _M)	"This project enabled us to gain market share." (S3 _M)**	This packaging was unique and was attributed to brand 3. According to female consumers: "No other brand could have done it except brand 3." (S3 _M)
S4	"It was below the profitability target." (S4 _M)	"Market share results are positive." (S4 _M)**	"They appreciated the functional, practical and modern aspect of it. A little piece of art – golden and still quite luxurious." (S4 _M)
F1	"In terms of margins, it was positive." (F1 _M)	"Was it in line with the objectives? No. It was a partial success." (F1 _M)***	"A bottle like this one cannot please everyone." (F1 _M)
F2	"We improved our profitability." (F2 _M)	"Our target was to be in the Top 10 of fragrances during the launch." (F2 _M). Not confirmed by panel data**	"A: Did you organize consumer tests? F2 _M : Concerning the bottle design? No."
F3	"It was below our expectations. We did not achieve the objectives initially set." (F3 _M)**		"The bottle design was well perceived." (F3 _M)
F4	"Did we reach the margin target? Yes." (F4 _M)	"There were no objectives in terms of market share." (F4 _M)***	"A: Did you organize consumer tests on the bottle design ? F4 _M : No ."
F5	-	"The project did not meet the objectives of business performance." (F5 _M)***	-

*Success cases were defined as cases that met at least two of these criteria. Failure cases were defined as cases that met none or only one of these criteria.

**Information checked with panel data

***Not available in the Top-200 products panel at N and N+1