

## SALES-MARKETING INTERFACE, ITS CONFIGURATIONS AND EFFECTS: THE CASE OF US, DUTCH AND SLOVENIAN B2B FIRMS

**Maja Makovec Brenčič**  
University of Ljubljana  
Faculty of Economics  
Slovenia  
maja.makovec@ef.uni-lj.si  
(Corresponding author)

**Wim Biemans**  
University of Groningen  
Faculty of Economics and Business  
The Netherlands  
w.g.biemans@rug.nl

**Avinash Malshe**  
University of St. Thomas  
Opus College of Business  
USA  
amalshe@stthomas.edu

**Abstract:** Firms understand and organize their sales-marketing interfaces differently. Relatedly, the marketing literature understands this relationship in several ways. For this reason, we conducted a qualitative study involving more than 100 managers, who either perform sales or marketing in US, Dutch and Slovenian B2B firms. Specifically, we identified four distinct interface configurations and highlighted what relative advantages or disadvantages firms exhibit in terms of interface dynamics or firm's strategic outcomes as related to their configurations. The comparison highlights that firms may choose a specific configuration that best matches their characteristics and business environment.

**Keywords:** sales-marketing interface, qualitative research, interface configuration

**ODNOS MED TRŽENJEM IN PRODAJO,  
NJUNA KONFIGURACIJA IN UČINKI NA RAVNI  
PODJETJA: PRIMER AMERIŠKIH,  
NIZOZEMSKIH IN SLOVENSkih  
MEDORGANIZACIJSKIH PODJETIJ**

**PovezeteK:** Odnos med trženjem in prodajo je ena izmed tem, ki v teoriji in praksi doživlja različne raziskovalne poglede in razumevanja. Tako trženjska teorija kot praksa v podjetjih se v organizacijskih in vsebinskih vidikih tega odnosa in povezav močno razlikujeta. Iz tega razloga smo izvedli kvalitativno raziskavo med več kot 100 managerji, bodisi s področja trženja ali prodaje, ki delujejo v ZDA, na Nizozemskem in v Sloveniji v medorganizacijskih podjetjih. Pri tem smo identificirali štiri različne konfiguracije oz. oblike povezav med trženjem in prodajo in opredelili prednosti in slabosti le-teh z vidika strateških ciljev podjetja. Primerjava kaže, da ni enoznačnih rešitev in da podjetja razvijejo takšno konfiguracijo oz. obliko povezav in odnosov, v kateri se najbolj ujemajo tako značilnosti podjetja kot poslovnega okolja in dejavnosti, v kateri delujejo.

**Ključne besede:** odnos trženje – prodaja, kvalitativna raziskava, konfiguracije odnosov

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## 1. INTRODUCTION AND RESEARCH PURPOSE

Recent studies (Piercy & Lane, 2003; Piercy, 2006) regarding the changing role of sales and marketing functions emphasize the importance of an effective and harmonious marketing-sales interface. In addition, marketing strategy research has highlighted how a smoothly functioning sales-marketing interface can facilitate strategic activities such as timely dissemination of market information, co-ordination of marketing activities, market responsiveness, and the creation, delivery, and communication of superior customer value (Cespedes, 1992; Day, 1994; Guenzi & Troilo, 2007; Kohli & Jaworski, 1990; Smith, Gopalakrishna & Chatterjee, 2006).

There is a constant debate among scholars regarding whether the two functions need to be separate or not; and how they should be organized to gain high efficiency. Some scholars have already suggested that marketing and sales may not always exist as separate functions and that the interface structure and the roles and responsibilities of sales and marketing functions may depend on firm's size, growth rate, products, industry, and organizational structure (Biemans & Makovec Brenčič, 2007; Homburg, Jensen & Krohmer, 2008; Kotler, Rackham & Krishnaswamy, 2006). Firms may therefore exhibit different marketing-sales configurations, which, in turn, may give rise to varied sales-marketing interface dynamics. These may be different, compared to what has been documented in the existing literature. Further, these various configurations may offer relative advantages and disadvantages to firms and may differentially affect firm's strategic outcomes such as its marketing proficiency, value delivery, firm responsiveness, and marketing consistency.

The purpose of this paper is to address (a) what different sales-marketing configurations may exist within business firms in the analyzed countries/managers, and (b) what relative advantages / disadvantages different sales-marketing configurations are associated with in terms of interface effects or firm's strategic outcomes.

## 2. RESEARCH METHOD

We conducted a multi-national, multi-firm qualitative study in the US, the Netherlands and Slovenia. While we acknowledge the differences in the countries we sampled from in terms of economic conditions, national cultures, and overall business environments, we believe that combining the three-country samples helped us

increase the number of informants in the study, as well as the variance and associated robustness of our data.

To gather a wide range of experiences and perspectives, we used theoretical sampling technique (Strauss & Corbin, 1998) and conducted semi-structured in-depth interviews with 101 managers from various industries, such as electrical products, industrial equipment, chemicals, electrical components, raw materials, electronics, IT, medical devices and engineering products. Our informants' firm sizes varied from 35 to more than 1000 employees and annual sales ranged from \$5 million to \$200 million. Informants, were selected from among marketing managers, sales managers, product managers, sales representatives and CEOs. Most informants were employed by their firms for more than three years and were conversant with the research topic.

The interviews were open-ended and discovery oriented (Deshpande, 1983), typically lasting between 1 to 1.5 hours. During the interviews we discussed the current organization of the marketing-sales interface, division of tasks and responsibilities, and firm outcomes. In each interview, we also talked about how the interface used to be structured in the past, whether there has been any change in the interface structure and other characteristics over time, if the interface changed, how it changed, and why the firm changed to its current marketing-sales configuration.

## 3. RESEARCH RESULTS

### 3.1 DIFFERENTIAL LEVELS OF RELATIONSHIPS BETWEEN MARKETING AND SALES: VARYING MARKETING- SALES CONFIGURATIONS

Our data show that not all firms have separate formal marketing and sales functions. Depending on firm size, industry and the nature of products and customers, firms organize their sales and marketing functions differently. Our analysis brought forth four different marketing-sales configurations: *invisible marketing*, *sales in the driver's seat*, *distinct functional identity* and *sustainable symbiosis*.

#### Invisible marketing

In firms with such configurations, formal marketing department is absent and marketing activities are performed by the CEO and/or sales director. In such firms "marketing" is performed by specific individuals. For example, when the

sales director has affinity for marketing, he/she allocates his/her own time between sales and marketing. A lack of a marketing department prevents such firms from thinking strategically; they remain in a constant transactional and mostly short-term oriented mode. Further, managers in these firms strongly believe that they are “doing marketing,” even though they lack the resources to create long-term strategic plans and programs. In such configurations, marketing is viewed as a luxury whereas sales orientation is embedded in firms’ strategic thinking.

#### **Sales in the driver’s seat**

This configuration represents an arrangement where marketing function is in a rudimentary stage of development within the firm. While the creation of a marketing function helps such firms to take the first steps toward more strategic thinking, marketing in such firms is highly influenced by the firm’s sales-driven culture. In these firms, marketing helps in sales function’s day-to-day activities. While marketing is still peripheral in its importance, its presence is acknowledged more when compared with the first configuration. In most cases salespeople view “marketers” as convenient suppliers of “marketing collateral” and nothing more.

#### **Distinct functional identity**

The third configuration embodies distinct sales and marketing departments, staffed by people with marketing and sales backgrounds. In such firms, marketing often serves as a hub from where information is distributed across different sales territories. Presence of established marketing and sales functions makes these firms susceptible to all the dangers and problems mentioned in the literature about *dysfunctional* marketing-sales interfaces (see Rouziès et al. 2005). While some firms manage to overcome these challenges and turn the marketing-sales interface into an effective and productive collaboration, some don’t, and therefore suffer from constant infighting between sales and marketing.

#### **Sustainable symbiosis**

The fourth configuration is where marketing and sales exist as separate, independent functions, yet they remain closely related and play complimentary roles. Such firms emphasize the *co-creation* of marketing strategies, with marketers inviting salespeople into the strategic process and using their insights to strengthen their marketing plans. Here, both marketing and sales functions view collaboration as essential to

their day-to-day work and strategic development. This configuration seems to correspond most closely to the description of firms enjoying a constructive, harmonious marketing-sales interface, where mutual respect and information sharing increase the firm’s overall performance in the marketplace. Relationships between marketing and sales are synchronized and strategically driven in such firms.

### **3.2. LEVELS OF RELATIONSHIPS BETWEEN MARKETING AND SALES: LIMITATIONS VS. OPTIMALITY IN THE FOUR CONFIGURATIONS**

Our data revealed that *sustainable symbiosis* (as we called the last stage/configuration) is not the ultimate and ideal configuration for all firms. Instead, our analysis showed that each of the configurations, which represent different structural arrangements of this interface, is appropriate for different types of firms. For example in *invisible marketing stage*, personal relationships among the firm’s employees determine the interface quality and efficiency. This interface remains very flexible, with short, transactional, and informal communication patterns. This allows firms to respond quickly to the changing needs of individual customers. Firms with this configuration do not seem to possess the awareness of broader market developments, how they may benefit from them, or how business environmental changes may challenge their business models. Such firms likely remain short-term focused and reactive in nature. In firms where sales is in the *driver’s seat*, it is marketing that performs strategic activities that sales might not have the inclination or capability to perform; such as creating a customer database, identifying purchasing patterns, or developing support materials. Such firms, thus, begin to attend to the long-term strategic issues. Here, marketing begins to make an effort to provide a systematic support to the sales group, and in many cases, salespeople start to appreciate the value of marketing input. Once again, these gains come at certain costs. As marketing starts to become more visible, salespeople, in some instances, may begin to perceive marketing as an emerging “threat” and stop sharing market information. Further, if/when marketers do not clearly exhibit their value; salespeople may view them as redundant and disregard their inputs. This sows the seeds for (future) discontent within this interface. Firms with *distinct functional identity* benefit from a mature marketing department that develops both the short-term (tactical) and long-term (strategic) plans. The marketing function also helps these firms assume a proactive stance and they

achieve greater customer orientation, consistency in their marketing messages and product positioning. Since both functions possess a concrete understanding of their tasks, responsibilities, objectives, and goals, it is here that most of the marketing-sales conflicts begin to arise. The last configuration; *sustainable symbiosis*, embodies both functions harmoniously collaborating with one another with an aim to offer superior customer value. They constantly learn about the environment (Sinkula, Baker, & Noordeweir, 1997) and are able to proactively deal with the long-term changes and emerging trends in the industry environment. Similar to other configurations, this configuration can have some disadvantages, too, such as making managers lose their unique perspectives or lack of motivation to deliver opposing opinions for the fear of being perceived as a non-team player. Sometimes this high level of synergy may also inhibit creativity or innovativeness. For that reason organizational climate is a crucial factor for synchronization of both functions.

#### 4. THEORETICAL CONTRIBUTIONS AND MANAGERIAL IMPLICATIONS

This research offers several theoretical and managerial implications. First, we identified four sales-marketing interface configurations which show varying degrees of associations between these two functions and also speak about their limitations and optimality. Second, our findings show how important it is to organize the interface that suits one's firm and industry characteristics. It further highlights that the sales-marketing interface may not always be contentious and that in each configuration, one may find certain benefits and disadvantages. Further, empirical research within sales-marketing interface is scarce and scholars have recently called for more work in this area (e.g. Kotler et al., 2006; Rouziès et al., 2005). We believe that our study responds to this call. Last, ours is the first study that explicitly investigates this interface in the context of business firms of various sizes, which represent various industries and come from three different countries.

From a managerial standpoint, our finding that each configuration has both, advantages and disadvantages, is important. Specifically, we point out the limitations and strengths of each of the configurations. Our findings further suggest that firms may maintain certain degree of flexibility within this interface so that they may modify their interface structure should the strategic need arise. Understanding the nature of different configurations may help managers to

assess where their extant marketing-sales interface is placed on the configuration continuum and identify whether there is potential benefit to change the configuration based on the firm's overall strategy and resources. What we would suggest is that managers perform this assessment on an annual basis and try to identify the steps they would need to take to improve the efficiency and effectiveness of the interface. As such this overview may help managers to assess the costs and benefits of the changing nature of their sales-marketing interface and report these findings to the decision makers so that appropriate decisions may be made. We must also reemphasize here that the managers must be cognizant about how different configurations may differentially affect the various interface dynamics and firm's strategic outcomes. Whether they want to move forward or backward along the configuration continuum is a function of firms' organizational strategy and environmental factors. Our findings offer managers a starting point to begin such an investigation and insure that this interface is appropriately poised to help the firm sustain its market orientation.

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