“The conflict between marketing and sales”

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The conflict between marketing and sales

Abstract

Marketing and sales departments need to interact seamlessly as both are essential in every market-oriented company. In practice, the working relationship between the sales and marketing functions is often described as bearing improvement potential. Even though a huge challenge in corporate practice, only recently, the optimization of the marketing and sales interaction has gained more interest in the research community. Previously the academic focus was more on marketing's interaction with other functions such as R&D or finance, as researchers did not differ between the marketing and sales functions at all. This has changed: organizational research now acknowledges that marketing and sales have different tasks within an organization and usually have different goal orientations, but there still seems to be a lack of understanding which processes are important for the marketing and sales relationship and how the two functions can work together.

The focus of this paper lies on identifying the role of marketing and sales along the corporate value chain, understanding and modeling marketing and sales interfaces, identifying potential marketing-sales conflicts and suggesting resolution strategies taking a process-oriented approach. The topic is investigated from a theoretical perspective. Based on an in-depth review of the available body of literature a meta-analysis is conducted.

Keywords: marketing and sales interaction, marketing and sales interface, marketing and sales conflicts, value chain, business processes.

Introduction

Marketing and sales departments carry out two separate functions (Kotler et al., 2007, p. 1144); nevertheless, they must interact closely with each other, as both are essential parts for the marketing activities in each company. Each company has the goal to fulfill customer needs and also to match the company's sales target followed by financial success.

In practice, the working relationship between the sales and marketing functions is often described as dissatisfactory, so that any improvement at the marketing and sales interface will have a positive effect on top and bottom-line growth (Kotler et al., 2006, p. 13). So, in order to increase value for the company it is essential to evaluate this interaction. It has not only major impact on the generation of value for the company, but also on its capabilities to adapt to the rapidly changing environment, as this requires active and cross-functional teamwork, as well as even more focus on the customer (Malshe, 2010, p. 17). The body of literature also suggests that implementing marketing as a strategic concept in all parts of the company increases customer satisfaction which in turn leads to corporate success (Webster, 1988, p. 31 and p. 39). Marketing and sales have the overall common goal to understand customer needs and solve customers' problems better than the competition by offering superior value to customers. Therefore, in order to bring benefit to a company, marketing and sales should interact and collaborate closely, so as to boost the overall business performance (Le Meunier-FitzHugh and Piercy, 2007, p. 207). According to Kotler et al. (2006, p. 78) "every company can and should improve the relationship between sales and marketing" to bring about a great positive impact on the company's growth.

In theory, marketing is often defined to include sales, e.g. distribution being one of the 4Ps or 7Ps of the marketing mix. In corporate practice one can see all kinds of structures involving marketing and sales usually as separate entities. Here, sales assuming a dominant role in the organization in terms of resource allocation (Kotler et al., 2006, p. 68; Lorge, 1999, p. 27). While the term 'marketing' being used for:

- product communication (including information material and merchandise) in support of the sales force only. PR ('Corporate Communication') is usually one of the core responsibilities of the CEO;
- responsibility for product communication ('Marketing Communication') and Business Development, i.e. identifying new market opportunities;
- responsibility for product communication, Business Development, and Product Management (sometimes referred to as 'Product Marketing') with Pricing being one of the responsibilities of Product Management (and sometimes also R&D);
- covering the role of Business Development and/or Product Management which is often combined with the responsibility for Market (Marketing) Research as well.

As the terms marketing and sales are used in different ways, also the interaction between the two functions raises a couple of questions which need to be addressed by marketing researchers, e.g.: how can marketing and sales interaction be organized best?

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Is there an ideal spread of marketing responsibility? What kind of processes need to be implemented to assure a smooth cooperation between the two? How much do integrated marketing and sales functions contribute to overall corporate success?

Only recently, marketing and sales interaction has gained more attention (e.g. Ernst et al., 2010, Kotler et al., 2006, Le Meunier-FitzHugh and Piercy, 2007). Previously the academic focus was more on marketing's interaction with other functions such as R&D or finance, and researchers did not differ between the marketing and sales functions at all (Gupta et al., 1986, Kahn and Mentzer, 1998). This has changed lately, as in business reality they are mainly separate functions within a company (Kotler et al., 2006, p. 68; Lorge 1999, p. 27). Marketing and sales have different tasks within an organization and usually have different goal orientations, an issue that has been recently addressed in organizational research (e.g. Homburg et al., 2008, p. 139). There seems to be a lack of understanding which are important for the marketing and sales relationship and how the two functions can work together.

Research has recognized marketing and sales interaction as problematic, as according to Kotler et al. (2006, p. 70), they are not deeply interconnected. In addition, there is a psychological distance between the two (Dawes and Massey, 2005, p. 1329). Even though research has shown that improved marketing and sales interaction has a positive impact on corporate growth as well as on new product development (Kotler et al., 2006, p. 70; Ernst et al., 2010, p. 80), it needs to be investigated to what extent improved marketing and sales collaboration impact customer satisfaction and – as a consequence – business performance. In addition, metrics are needed in order to assess the status and performance of this relationship.

The focus of this paper lies on defining the necessary terminology to analyze the subject matter, identifying the role of marketing and sales along the corporate value chain, understanding and modeling marketing and sales interfaces, identifying potential marketing-sales conflicts and suggesting resolution strategies taking a process-oriented approach. The topic is investigated from a theoretical perspective. Based on an in-depth review of the available body of literature a meta-analysis is conducted. First, an introduction to the theoretical foundations of marketing and sales in general is given. The terms marketing and sales are defined and it is outlined in which context they are used. Following, a literature review is given on the status of marketing and sales interaction in companies is evaluated. Marketing and sales interaction is classified in two conceptual models to identify methods of addressing the status and characteristics. In a next step, potential areas of conflict between the two functions are identified and then proposals for solutions of potential conflicts are given. The last step includes also identification of key marketing and sales processes.

1. Terminology

In order to be able to investigate the relationship between marketing and sales, it is necessary to clearly distinguish between the two terms and to clarify how they are defined and in which context they are used in this paper.

Various *marketing definitions* exist but according to Kuss (2009, p. 5), the most widely used definition in theory and practice is the one from the American Marketing Association (AMA) which is frequently cited (see e.g. Kotler et al., 2007, p. 11; Meffert et al., 2007, p. 9). AMA's definition of the term marketing has changed over the years and has been adapted according to advances in marketing thought as well as its environment. The AMA definition from 1935 describes marketing as "the performance of business activities that directs the flow of goods and services from producers to consumers" (American Marketing Association, 2008, p. 2). This definition reveals the traditional perspective of marketing where marketing was purely distribution and trade driven. According to the general business opinion until the mid-1950s, the term marketing was a synonym for sales; the focus was on the product not on the costumer (Webster 1988, p. 31). Not until 1985 did AMA change their initial definition to "marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives" (American Marketing Association, 2008, p. 2). The focus now is on management of exchange processes and matching the traditional marketing mix of the 4Ps: product, price, place (or distribution) and promotion. In 2004, AMA acknowledged that marketing was a customer and customer relationship-driven term and changed their former definition to "marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders" (American Marketing Association 2007). AMA further revised this definition again in 2007 to "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large" (American Marketing Association, 2007) and included set of marketing institutions, which are more precisely defined as rules and regulations in a control system for marketing activities

as well as the objective that marketing creates value within a number of recipients (Kuss 2009, p. 8). The variety of interpretations and definitions over the past several years shows that the term marketing is constantly changing and has been adapted from a process-oriented perspective towards a more customer-oriented perspective. All definitions include sales as part of the marketing function.

Academic research into sales and selling began around 1960. *The Journal of Personal Selling and Sales Management* was first published in 1980 and was established as a platform for sales-related research. Today still most of the important sales-related articles are published in this journal (Geiger and Guenzi, 2009, p. 875; Williams and Plouffe, 2007, p. 411). While several marketing definitions exist, the *definition of sales* is not as widely discussed. AMA has defined sales as "any of a number of activities designed to promote customer purchase of a product or service [which] can be done in person or over the phone, through e-mail or other communication media" (American Marketing Association, 1995). Other definitions related to an activity-based marketing perspective have sales included and recognized as a marketing activity (Workman et al., 1998, p. 21). Kotler et al. (2007, p. 652) describe personal selling as the "face-to-face interaction with one or more prospective purchasers for the purpose of making presentations, answering questions, and procuring orders"; consequently direct communication with the customer is mostly done by salespeople. In today's fast changing business environment, sales practice has to take up new tools like e-commerce and m-commerce which nowadays partly substitute personal selling (Geiger and Guenzi, 2009, p. 874). Research has shown that sales is moving toward solution selling and has to focus even more on building relationships with each individual customer who is changing as well from a single person as decision-maker towards entire decision committees (Colletti and Fiss, 2006, p. 130; Trailer and Dickie, 2006, p. 50). Hence the traditional sales model might be replaced by key account management focusing on fewer strategic partners (Piercy and Lane, 2003, p. 563). Geiger and Guenzi (2009, p. 878) published a survey of sales academics' perceptions which identified that "increased customer expectations" is the factor of change which has the biggest impact on the sales organization, which also influences the relationship between marketing and sales. As new business models and processes emerge, the biggest challenge for the sales function has become the shift from its traditional role of simply selling towards a strategic customer management function (Piercy and Lane, 2003, p. 563). The sales function itself is often structured according to geographical aspects (Kotler et al., 2007, p. 796): the district managers report to the chief sales officer (CSO) who is responsible for sales force management (Trailer and Dickie, 2006, p. 48). Other structures can be set up around customers, products or be a mixture of all three forms (Kotler et al., 2007, p. 796).

From an organizational-functional perspective marketing has grown from a simple selling function to a department with responsibilities for several activities (Kotler et al., 2007, p. 1142). When a company opens a business it usually starts either without or with a very small marketing function and only if the company is growing, will the marketing function emerge into a modern marketing department. Kotler et al. (2007) classified the different development levels in six stages. At the first level, the marketing function is been fulfilled by the head of sales. The focus here is on simply being a sales-oriented function. After expanding the company, the second level will be reached as there is a need to increase marketing resources in order to manage all marketing activities. Marketing becomes a subdivision of the sales function and consists of marketing managers and other marketing functions. If growth continues and conditions of competition get more complex the marketing organization has more and more relevance and importance. Level three has been reached and, therefore, marketing will be established as a main and independent department next to the sales department. Head of sales and head of marketing are both reporting to the board of the company and need to work closely together since there should be alignment on a single marketing strategy. In this set-up conflicts can arise between the two functions e.g. about the budget and the influence on marketing tools and activities. At the fourth development level the board may decide to resolve these conflicts by creating a single head for all marketing-related functions including sales. Only when reaching this level the company has established a real organizational institutionalization of an overall marketing concept. Level five will only be reached if the responsible Chief Marketing Officer (CMO) will be seen as an integrating element within a progressive company. Marketing has to be perceived as an overall company task to which all employees are committed. Only if this becomes reality, can marketing be fully integrated and therefore overall customer-oriented can be achieved. Level six is the final level and is defined by Kotler et al. (2007) as the marketing function in a project- and process-led company where the whole organization is designed around the company's key processes and key competencies. One person is directly responsible for leading cross-functional teams with the overall objective to reach customer-centered results, e.g. new product developments or new projects concerning customer acquisition. Members of the marketing and sales func-

tion spend most of their time working in these cross-functional teams and are not directly reporting to the marketing or sales department anymore, but are still indirectly connected (dotted-line connections) and inform their respective departments about the ongoing projects (Kotler et al., 2007, p. 1142). At this level of the development phases of functional marketing, each task of marketing and sales is connected and aligned to each other. Nevertheless, little attention has been put on how other marketing-related functions like market research and sales force management should be structured in order to fulfill the demands of marketing management with regards to product strategy and performance (Ruekert et al., 1985, p. 15).

According to Kotler et al. (2007), marketing and sales have different competencies and are responsible for different tasks. One key competency of the marketing function is related to product or brand management. Marketing is responsible for the development of a long-range and competitive strategy as well as preparing the annual marketing plan and sales forecast. In addition, it is working together with advertising and merchandising agencies to develop product-related programs and campaigns which should also support the work of the sales force. Another part of the job is to gather and collect all product related information regarding performance, customer feedback and possibilities for improvement (Kotler et al., 2007, p. 794). To be able to fulfill the marketing task successfully, marketing is to a large degree depending on receiving input from the sales department (Ernst et al., 2010, p. 85; Kotler et al., 2007).

The sales function is not only about pure selling, but also plays an essential role in the company's knowledge of its customers and their needs, as the sales function builds the interface between customer and the company (Becker 2009, p. 540). In addition, the sales force gathers market intelligence information so that the company can react quickly on new developments in the market environment. The sales function is also responsible for targeting customers where the decision is made on how to allocate the time among prospects and customers. The sales process generally includes assessing customer needs, presenting product values and benefits to address those needs, but also the discussion of commercial terms, such as pricing and delivery terms (Kotler et al., 2007, p. 794). In addition, sales people are often responsible for prospecting new clients (Kotler et al., 2007, p. 794). In order to fulfill these tasks properly sales people need, among other skills, good communication skills as they have to answer all product-related questions and establish a good customer relationship. By performing all these sales activities successfully, the company will create a valuable relationship with customers via their salespeople and also improve the company's business performance by enhancing market share and profits (Zoltners et al., 2009).

To summarize, in principle marketing and sales functions have the same objective which is generating more sales and profit for the company and provide added value to customers. Marketing is more long-term, strategic and product-oriented, whereas sales is more focused on short-term tasks and on customer needs (Ernst et al., 2010, p. 82).

2. Marketing and sales as part of the value chain

Kotler and Keller (2006, p. 38) identified five key processes in the Porter (1985) value chain in which companies have to be excellent in order to outperform their competitors. Out of these five key processes there are four which are directly or indirectly linked to the marketing and sales relationship.

First, there is the *'market sensing process'* which includes all activities related to information management, communicating new insights throughout the company and to all relevant parts of the chain which have to act accordingly; second, there is the *'new offering realization process'* which consists of market research, development and realizing new products (Kotler and Keller, 2006, p. 38). R&D belongs to the support activities of the chain where, for example, research has shown that R&D-sales cooperation as well as sales-marketing cooperation during the concept development stage has an overall positive influence on new product development (Ernst et al., 2010, p. 87). The third and fourth processes Kotler and Keller (2006, p. 38) describe, are the *'customer acquisition process'* and the *'customer relationship management process'* which are both related to targeting and understanding of customer needs. In order to be superior in these four processes marketing and sales need to interact properly as stated by Ernst et al. (2010, p. 87). The last core process Kotler and Keller (2006, p. 38) describe is the *'fulfillment management process'* which is not referring to the marketing and sales relationship but to the order fulfillment and supply chain management process and therefore belongs to the primary activities.

Sales people play a key role in a company's value chain as they are creating, communicating and delivering value to the customer by actively managing customer relationships (Ingram et al., 2008). Marketing has a key role is responsible e.g. for creating customer and brand awareness. Coordination and collaboration as well as the right organizational culture are irreplaceable in order to manage a value chain successfully (Porter, 1985, p. 406).

By driving the mentioned core processes related to cross-functional marketing and sales co-operation to excellence, companies will outperform competition; create added value as well as customer satisfaction. This shows that there is a shift from focusing only on how companies can create competitive advantages through increased productivity within the value chain towards a perspective on how they can increase the quality of their customer relationship via better cross-functional teamwork (Rayport and Jarworski, 2004, p. 58). This is because one of the foundations of each company's competitive advantage is the creation of "superior customer value through an effective marketing and sales relationship" (Guenzi and Troilo, 2007, p. 98 and p. 104)

3. Marketing and sales interaction in a holistic marketing concept

Kotler et al. (2007, p. 23) discuss the holistic marketing concept in which they incorporate all stakeholders related to marketing. They divide holistic marketing into four sub-issues: internal marketing, socially responsible marketing, relationship marketing and integrated marketing. These sub-issues are embedded in the marketing information system (MIS) where the focus is not only on communication from company to customer, but also on the communication flow from the customer to the company, and within the company (El-Ansary, 1974, p. 560). The MIS is made up of people, tools and processes with the objective to organize and distribute the information flow for marketing decisions in a company (Kotler and Keller, 2006, p. 73).

Internal marketing is about ensuring that everyone in the company, particularly senior management, supports and works according to the relevant marketing principles. Within marketing and sales this highlights especially the importance of the collaboration between the two functions with each other but also with other departments (Kotler and Keller 2006, p. 20). In addition, research has shown the importance of management's attitude towards supporting the relationship between marketing and sales (Le Meunier-FitzHugh and Piercy, 2007, p. 216). *Socially responsible marketing* incorporates social and ethical considerations in the holistic marketing concept (Kotler and Keller, 2006, p. 22). Another part of the holistic marketing concept is the *relationship marketing*, which is defined as "having rich, multi-faceted relationships with customers, channel members and other marketing partners" (Kotler and Keller, 2007, p. 24). While earlier tasks of sales were defined as simply to sell a product, the directional change today is towards relationship marketing as one of the key elements within the sales function in order to generate sales (Kotler and Keller, 2007, p. 794). Finally, *integrated marketing* as part of the holistic marketing concept focuses on marketing tools and activities with the objective to assure that all tools and activities are aligned and bring optimal value to the customer (Kotler and Keller, 2006, p. 19). One traditional depiction of marketing activities in an integrated marketing concept is in terms of the marketing mix, which has been defined as the set of marketing tools or elements the firm uses to pursue its marketing objectives (Borden, 1984, p. 9). McCarthy (1999, p. 38) has classified these tools into four broad groups, which he called the 4Ps of marketing: product, price, place, and promotion. 'Product' is about the product itself and its characteristics like pack size, quality etc.; 'price' is determined together with the pricing strategy covering rebates and discounts. The last tool 'place' is about the distribution of the product (Kotler and Keller, 2007, p. 25). According to Kotler et al. (2007, p. 20) selling is just one part of marketing activities. To be able to use the marketing tools effectively it is important to translate the company's overall strategy into a marketing strategy; the marketing tools should not only be used short-term on an operational level, but also on a long-term basis (Borden, 1984, p. 8 and p. 11). Any issues within the marketing-mix coming up on a day-to-day basis need to be identified and addressed accordingly. The key to addressing these issues is having good channels of communication and information related to changes in the behavior of consumers and competitors (Borden 1984, p. 11). This is where marketing and sales collaboration might have a big influence. Finally, companies need to focus on the marketing-mix not only from an intra-departmental perspective, but also from an overall inter-departmental perspective in order to fully integrate marketing (Kahn and Mentzer, 1998, p. 31).

Several terms are used to describe the working relationship between marketing and sales, e.g. 'cooperation', 'interaction', '(cross-functional) collaboration' and 'integration'. These will now be discussed as follows in order to establish a clear context in which the terms are used.

Companies are grouping different business activities into separate business units or departments, most of them are organized functionally but they can also be organized around products or customers (Weihrich et al., 2008, p. 186). The various functions have different responsibilities and areas of knowledge; in case of marketing and sales e.g. deeper product knowledge on the side of marketing and more detailed knowledge of the customer on the side of sales. Marketing managers are interacting with sev-

eral functions within a company: not only with sales people but also with e.g. R&D and finance. In addition, they are in direct contact with customers, so in effect they have a coordinating role fulfilling demands from both outside as well as from inside the company (Ruekert and Walker, 1987a, p. 1). This set-up results in a strong functional interdependency in order to perform the job properly (Ruekert and Walker, 1987a, p. 2).

Recent research investigated "cross-functional co-operation" between marketing, sales and the R&D function during new product development. Cross-functional co-operation consists of several activities like development and assessment of concepts and ideas as well as taking decisions regarding final marketing concepts (Ernst et al., 2010, p. 89). Research studies identified that this kind of co-operation in new product development often leads to project success (Griffin and Hauser, 1996, p. 212). Ernst et al. (2010, p. 81) categorize the multiple terms existing for inter-functional relationship into two groups. They define a 'behavioral approach', which is related to the level of interaction and level of information sharing between different functions, as well as an 'attitudinal approach', which is related to integration as a form of collaboration.

"Collaboration" has been a major interest in research in order to evaluate the status and kind of integration of different functions. Collaboration is defined as a set of intangible activities where two or more functions work together (Kahn, 1996, p. 81). Collaboration builds on relationship and teamwork which is supported by having common goals and shared values and therefore resulting in a "cooperative internal environment" (Kahn and Mentzer, 1998, p. 53). Kahn and Mentzer (1998, p. 60) determine that according to their definition of 'collaboration', a collaborative relationship has to be preferred over 'interaction' as "collaboration" will lead to a greater performance success. Both, co-operation and collaboration have been associated with a close relationship between two functions and identified as a basis for teamwork (Gupta and Wilemon, 1991, p. 41).

The term "horizontal integration" indicates a need to combine two or more functions into a single function or process (American Marketing Organization, 1995) which is not desirable for marketing and sales due to their functional knowledge. Nevertheless, Rouzies et al. (2005, p. 115) describe marketing and sales integration as a dynamic process in which these two functions increase value for the company by working together. Gupta et al. (1986, p. 15) focus in their interpretation of integration on the "extent of R&D-marketing involvement and information sharing" in different stages of the product development process, while Kahn and Mentzer (1998, p. 54) have a composite perspective of integration in which interactive and collaborative processes are combined and running simultaneously. According to findings by Kahn (1998, p. 59) the highest positive correlation to improve performance outcome measures like company and product management performance, as well as employee satisfaction was proven to be collaboration between departments with a focus on informal ways to communicate instead of formal meetings and documentation. To summarize, the term 'interdepartmental integration' can be used as a synonym for integration.

Other researchers focus on 'inter-functional interaction' by treating it as a special form of "open social system" which is characterized by the motivation of "individual and collective interests" on the one side and by interdependent processes due to "specialization and division of labor" on the other (Ruekert and Walker, 1987a, p. 2). Interaction is facilitated by increased formal and informal communication through working at the same location, dedicated people who work as "integrators" as well as joint customer visits and job rotation (Gupta and Wilemon, 1991, p. 41). Krohmer et al. (2002, p. 461) identify cross-functional interaction as a key aspect in marketing orientation which is not only related to the dissemination of information but also to the allocation of influence on marketing activities towards different functions as this is beneficial for performance.

Nevertheless it is difficult to strictly separate the multiple terms. The term 'interaction' which will be the main focus of this paper is also closely related to collaboration as collaboration is stimulated by interaction (Maltz and Kohli, 1996, p. 57; Le Meunier-FitzHugh and Piercy, 2007, p. 944). 'Interaction' of marketing and sales is used in this paper to describe the working relationship with a focus on the structural nature of cross-departmental activities (Kahn, 2006, p. 81). Nevertheless, while looking at structure and interaction, 'collaboration' will also be discussed in order to assess mutual understanding between the two functions.

Early research did not separate marketing and sales on a functional level but consolidated them under the 'marketing' term; the focus used to be on marketing's interaction with R&D (Gupta et al., 1986; Li and Calantone, 1998) or both R&D and manufacturing (Kahn and Mentzer, 1998; Ruekert and Walker, 1987a). Interestingly, already Li and Calantone (1998, p. 25) postulate that for new product developments, the strongest impact of a good mar-

keting-R&D interface can be achieved on identifying new product advantages and that it is of additional benefit to include a customer group in the new product development process. A customer group could be represented by the sales people as they have thorough knowledge about customer needs.

Recent studies acknowledge that marketing and sales are different functions within an organization (Homberg, 2008; Kotler et al., 2006) and focus on marketing and sales interaction as interaction between individual functions. These studies focus on integrating aspects of the marketing and sales functions (Dewsnap and Jobber, 2000; Rouziès et al., 2005). Dewsnap and Jobber (2000) state in their framework that integration between the two functions could influence the overall business performance. Therefore, managers need to pay attention on the organizational structure in order to facilitate integration. Their proposals include formalization, decentralization of and participation in decision-making, physical proximity and organizational methods (Dewsnap and Jobber, 2000, p. 111). Rouziès et al. (2005) also include in their framework decentralization as one controllable factor to facilitate integration. In addition, they mention cross-functional teams and integrators. Integrators are internal moderators and have the goal to close the gap between the two departments. They extend their propositions by including also processes/systems which includes communication, job rotation, integrated goals, incentives or rewards, and recognition systems. Moreover, other integrating mechanisms discussed are organizational culture with common and shared norms, and people and their mindset which should be teamwork-oriented and open-minded.

4. The Homburg-Jensen-Krohmer framework

Homburg et al. (2008) develop an extensive multidimensional model in order to assess not only the marketing and sales interfaces, but for the first time the variations in these interfaces throughout different companies and sectors. In order to discover the differences between marketing and sales functions, Homburg et al. (2008) identify five conceptual domains of marketing and sales configurations: information sharing, structural linkages, power, orientation and knowledge.

First, *information sharing* is related to a continuous transmission of information between both functions. The general importance of information sharing within an organization has in the past been highlighted by several other publications (Fisher et al., 1997, p. 54; Day, 1999, p. 33; Kahn and Mentzer, 1998, p. 54). Effective information sharing also requires a common language spoken between marketing and sales; so, marketing terms and concept needs to be clearly defined (Olive, 2006, p. 395). Frequent information sharing among marketing and sales cannot only be achieved via formal communication in meetings, but additionally by informal spontaneous and casual communication (Le Meunier-FitzHugh and Piercy, 2007, p. 944). Kotler et al. (2006, p. 74) suggest not just to have more communication but to have a disciplined and formalized communication structure with, for instance, regular meetings and clearly defined communication processes so that marketing and sales are aware when they should be in contact or and whom they should inform. Nevertheless, this needs to be carefully considered to avoid information overload (Kahn and Mentzer, 1998, p. 54).

Second, *structural linkage* is another conceptual domain for marketing and sales interfaces mentioned by Homburg et al. (2008, p. 137). This domain is classified, on the one hand, as formalization via guidelines within the company's organization, which is the structural dimension of marketing organizations as opposed to non-structural dimensions (Workman et al., 1998, p. 28). On the other hand, joint planning also refers to concepts need. Joint planning is the degree needed in developing the product strategy where both functions ideally should reach a consensus (Strahle et al., 1996, p. 16); they need not only to agree on product strategy but also to align on objectives and budgets and other activities like targeting (Homburg et al., 2008, p. 138; Kotler et al., 2006, p. 76). The last classification in this domain is related to the degree of teamwork between horizontal marketing and sales interaction which is the classical platform for structural linkage (Workman et al., 1998, p. 138).

The third conceptual scope is *power*, which is defined as the extent to which specific market-related activities are more influenced by sales than by marketing. The term 'power' is used in connection with interdepartmental decision areas needed for business activities (Homburg et al., 2008, p. 139). Marketing plays a key role in influencing different business decisions such as marketing activities with regard to customer satisfaction and advertising but also with regard to expansion in new markets, distribution and new product development and, therefore, is the most influential unit with regards to strategic directions (Homburg et al., 1999, p. 9). Sales is more influential than marketing in relation to distribution, pricing, customer service and expansion in new markets (Homburg et al., 1999, p. 9). In addition, it needs to be mentioned that there is a significant difference in the level of influence of marketing depending on the type of industry. Generally marketing seems to be more powerful in consumer

than industrial firms (Workman et al., 1998, p. 33), but this could not been proven in further research (Homburg et al., 2008, p. 11; Homburg et al., 1999, p. 9). Also, different focus of a company for example on technological innovation like in telecommunication firms can result in a higher influence of other functional units like R&D (Workman et al., 1998, p. 33).

The fourth category of Homburg et al. (2008) is related to the *orientation of the marketing and sales function.* One area of focus is product versus customer orientation. Marketing is related to the product itself while the focus of sales is on customer needs and satisfaction (Homburg and Jensen, 2007, p. 125). Marketing staff usually take care of a specific brand or product of which they have a comprehensive knowledge, whereas sales people are usually connected with a specific geographical area and a set of customers (Rouziès et al., 2005, p. 114). Orientation can be more specifically defined "as the extent to which the activities of marketing/sales are guided by customer-related rather than product-related strategies, plans and performance evaluations" (Homburg et al., 2008, p. 139). Another aspect is short-term versus long-term orientation. Sales people have set objectives with regard to short-term goals which they need to achieve per quarter or throughout the year while marketing people are more involved in building long-term strategies (Rouziès et al., 2005, p. 115). Homburg et al. (2008, p. 139) define this "as the extent to which the activities of marketing/sales are guided by immediate action rather than by extensive planning". The existence of different orientations within the two functions was labeled as the "thought-world differences" of marketing and sales and acknowledged positive impact on overall market performance (Homburg and Jensen, 2007, p. 125 and p. 135). Others have looked at differences in orientations with regards to time horizon (short-term vs. long-term) and goal orientations (product vs. customer) (Homburg and Jensen, 2007, p. 135; Griffin and Hauser, 1996, p. 206).

The final concept within the model of Homburg et al. (2008, p. 138) on marketing and sales interaction is *'knowledge'*, which is related to the level of knowledge available within functional units. Marketing and sales knowledge can either be related to market or product. Market knowledge refers to the extent both functions have knowledge about customers and the competitive environment (Homburg et al., 2008, p. 139). Market knowledge is mainly collected by the sales force during field visits and talking to customers. In this context it is important to highlight that the company needs to have systems in place in order to facilitate feedback from the market (Le Meunier-FitzHugh and Piercy, 2006, p. 713). Product-knowledge of each of the two functions describes the available knowledge about products and internal processes (Homburg et al., 2008, p. 139). Differences in knowledge between the thought-worlds of marketing and sales exist which is, on the one hand, negative for the quality of interaction, but a real benefit for market performance (Homburg and Jensen, 2007, p. 132). In addition, joint trainings could also support common knowledge in the long run (Kahn and Mentzer, 1998, p. 55), although in reality there are few cross-functional training programs available (Le Meunier-FitzHugh and Piercy, 2007, p. 948).

In order to be able to describe and assess the previous marketing and sales interface domains more precisely, Homburg et al. (2008, p. 139) define the so-called 'cluster variables' with three outcome variables and three context variables. The first outcome variable focuses on the characterization of the marketing and sales relationship as the "quality of co-operation between marketing and sales". This is related to the state of harmonious teamwork in the interdepartmental interaction between marketing and sales (Homburg et al., 2008, p. 139). Contradicting this part of the variable, findings from Song et al. (2000, p. 62) indicate that a harmonious cross-functional relationship does not have a significant impact on a company's performance. The other two outcome variables refer to performance, either of the business unit (BU) or of the company if BU is not applicable. The first is 'market performance' which is classified on how well the BU or company performs in the market in relation to competition and the last variable is 'profitability' (Homburg et al., 2008, p. 139). The three context variables are used to check if marketing and sales configurations differ in regards to organizational outcome (Homburg et al., 2008, p. 139). The first is 'internal dynamism' which refers to how frequent organizational changes occur in relation to structure, people, processes and strategy (Homburg et al., 2008, p. 140). Another variable is 'environmental dynamism' which refers to the frequency that external factors impact the organization; these can be changes in the competitive environment as well as customer needs, technology or regulatory changes (Homburg et al., 2008, p. 140). The third context variable is 'industry' which is needed as return on sales levels differ depending on type of industry (Homburg et al., 2008, p. 140).

Marketing and sales interaction is important for market performance and growth of business (Kotler et al., 2006, p. 78). Basically, similar competencies of marketing and sales are necessary and favorable for quality of performance and performance itself; so on the one hand, marketing should be able to work in a sales function and vice versa (Homburg et al., 2008, p. 135). On the other hand, they need to be specialized as mentioned before. Looking at current research findings it is clear that companies need to take a close look at their marketing and sales interaction processes in order to be successful.

A generic classification system of sales and marketing interaction is offered by Kotler et al. (2006, p. 72). They identify four levels of the marketing and sales relationship. First, an 'undefined' relationship exists between marketing and sales, that is characterized by totally independent working groups where no information is shared and all planning is done without the involvement of the other function. No collaboration takes place at this level and interaction only occurs when conflicts need to be solved (Kotler et al., 2006, p. 72). The next level is a 'defined' relationship where structure and processes are clearly set and formalized with specific guidelines and rules (Kotler et al., 2006, p. 72). With this higher degree of formalization, the level of interaction between the groups starts to increase and business activities are jointly executed. As the relationship intensifies, marketing and sales reach level three known as the 'aligned' relationship. Interaction with regards to planning and training becomes part of the relationship, as well as the frequent consultation between marketers and sales people on important topics. Barriers still exist, but these are to some extent flexible (Kotler et al., 2006, p. 72). In order to reach the final level of an 'integrated' relationship, marketing and sales must share processes, systems and metrics. There is a real sense of teamwork in place as well as strategic forward thinking (Kotler et al., 2006, p. 72).

Out of the previously discussed five empirical categories (information sharing, structural linkages, power, orientation and knowledge) and the mentioned six descriptive variables of marketing and sales interaction, Homburg et al. (2008, p. 142) develop an advanced classification system of five clusters and measure cluster performance. Each cluster differs in its characteristics of the mentioned five dimensions and represents different types of industries. These are defined as follows:

- Cluster 1 (*'Ivory Tower'*) is one of two clusters which have not been addressed before in any other research into marketing and sales interaction (Homburg et al., 2008, p. 148). It is characterized by a marketing function with strong customer focus, but with little knowledge about markets and products. In contrast, the sales function is rather short-term and product focussed. The two functions in this cluster do not have many interaction processes in place. Joint planning and information sharing is done rarely. As result of this lack of interaction, companies in this cluster have the weakest performance of all investigated (Homburg et al., 2008, p. 146) and can usually be found in the financial, service and machinery industry sector (Homburg et al., 2008, p. 144).
- Out of all investigated clusters, companies in cluster 2 (*'Brand-Focused Professionals'*) are performing best in terms of market environment and financial outcomes (Homburg et al., 2008, p. 145). Cluster 2 companies have the highest extent of structural linkages, such as joint planning, and the widest product and market knowledge. Marketing has a leading role here, nevertheless sales is considered as its congenial counterpart. Its main characteristic is a rather short-term focus but with intense interdepartmental co-operation (Homburg et al., 2008, p. 145). The typical industry represented in this cluster is consumer goods (Homburg et al., 2008, p. 144).
- Looking at cluster 3 (*'Sales Rules'*) which is another cluster not previously assessed (Homburg et al., 2008, p. 148), sales exceeds marketing not only in product but also in market knowledge, while marketing is rather short-term but customer-oriented. Companies in this cluster show the lowest performance of all clusters. Cluster 3 is typical for the machinery and automotive industry (Homburg et al., 2008, p. 148).
- Cluster 4 (*'Marketing-Driven Devil's Advocacy'*) is identified as the cluster with the overall lowest collaboration rate and ranks in the mid-performance range with an overall decreasing profitability (Homburg et al., 2008, p. 146). Marketing and sales are characterized by their traditional orientations; marketing is long-term and product-oriented, while sales is short-term and customer-oriented (Kotler et al., 2006, p. 70). As a result of these differing views, beneficial and insightful discussions often arise with each party offering different insights. Marketing is regarded as the more powerful part in this cluster. Typical examples are the chemical and electronics industries with their strong production and/or product orientation (Homburg et al., 2008, p. 146).
- The 5th cluster (*'Sales-Driven-Symbiosis'*) identified by Homburg et al. (2008, p.144) is second in company performance and led by the sales function. Marketing and sales knowledge com-

plement each other, with marketing as the market expert and sales as the product expert. Both are very interlinked and have a strong customer-focus regarding to a high quality of interaction. Typical representatives of this cluster are the utility industry, which is characterized by long-term contracts and consequently a long-term focus of the sales function (Homburg et al., 2008, p. 146).

For companies who want evaluate their internal marketing and sales interaction, it makes sense to classify it within the clusters mentioned (Kotler et al., 2006, p. 78). Homburg et al. (2008, p. 144) show that the style and type of marketing and sales interaction drives company performance. Therefore, in order to be more efficient and more customer-focused, it is recommended that all types of companies analyze in more depth their internal marketing and sales relationship. This can then be the basis to identify possible ways of improving marketing and sales interaction.

5. Potential conflicts between marketing and sales

Although marketing and sales are strongly interlinked, the interaction is neither completely collaborative nor perfectly harmonious (Dewsnap and Jobber, 2000, p. 116). In practice, only few companies successfully manage to close this gap and thereby increase their execution capabilities of value-based selling (Moorman et al., 2007, p. 3).

Although historically there has always been tension between marketing and sales (Lorge, 1999, p. 27), the focus of earlier studies is mainly on conflicts between marketing and R&D, as this was seen as critical for new product development success (Ruekert and Walker, 1987b, p. 133; Souder, 1981, p. 9; Gupta et al., 1986, p. 7). For example, Souder (1981, p. 9) identifies four issues in marketing and R&D interfaces: 'lack of communication' and 'too good friends' are classified as relatively harmless in their effects on marketing and R&D interaction. The more important constraints, 'lack of appreciation' and 'distrust' relate to harboring negative emotions towards each other as well as focusing solely on the own department and the inability to think outside the box (Souder, 1981, p. 9). In addition, Gupta et al. (1986, p. 7) identify factors that hinder integration and potentially lead to discrepancies between the marketing and R&D functions. Like Souder (1981), they also identify the lack of communication flow between the departments as a source of conflict, but state that this is being influenced by the organizational structure (Gupta et al., 1986, p. 10). Another important factor leading to conflicts is the lack of senior management support for integration, which results in uncertainty of focus on short vs. long term strategy and differences on performance reward systems (Gupta et al., 1986, p. 10 and p. 12). Also conflicts relating to socio-cultural differences between the two functions play a role. There are differences in mindsets concerning professional and long-term orientation at the R&D side and on the other side a more bureaucratic and short term thinking within the marketing people (Gupta et al., 1986, p. 13). This is quite opposite to the perception at the marketing and sales side, as there marketing is seen as the long-term oriented function.

Referring to Kotler et al. (2006, p. 70) and Cespedes (1994, p. 52), four areas of conflict between marketing and sales can be classified into economic, cultural, informational and organizational factors:

- The *economic constraint* is related to the allocation of the budget that has to be assigned to each function. In addition, pricing is a source of conflict, too. While marketing tends to set higher prices so as to get the maximum profit, sales is inclined to look for a lower price at which they can sell the product more easily (Kotler et al., 2006, p. 71). And while marketing wants to spend money on promotion, sales wants the money to increase the size and quality of the sales force (Kotler et al., 2006, p. 71). With economic constraint the allocation of money is especially difficult, as marketing's achievements with respect to financial impact, being more related to long-term and strategic topics, are difficult to measure. Whereas performance of the sales function is more short-term driven and positive results have a direct impact on the company's turnover (Kotler et al., 2006, p. 71)
- The second constraint Kotler et al. (2006) mention is the *'cultural'* conflict, which arises when two groups with usually different mentalities meet and work together. Cultural constraints or differences in mindsets are also addressed in other literature concerning marketing and sales conflicts. For example, Rouziès et al. (2005, p. 114) also state that marketing and sales people have different mindsets and, therefore, difficulties in understanding each other when they discuss customer needs or other issues. In general, marketers have an analytical mindset as they need to analyze market data usually related to a specific product range or brand, where they focus on long-term strategic marketing management to build a brand and to develop marketing plans (Rouziès et al., 2005, p. 115; Kotler et al., 2006, p. 72). In contrast, sales people have strong relationship building skills and a constant customer focus as they concentrate their efforts

on the customer in their area of responsibility (Kotler et al., 2006, p. 72; Rouziès et al., 2005, p. 115). From a cultural perspective, the different thought-worlds of marketing and sales contrast, as sales is of the opinion that marketing is too far away from the customer, while marketing thinks that sales people are too short-term oriented (Kotler et al., 2006, p. 70). This hinders consensus (Homburg and Jensen, 2007, p. 128).

- The third factor in conflicts between marketing and sales is of 'informational' nature, which is strongly interlinked with cultural conflict. Informational constraints are related to constraints in communication, and furthermore, in sharing and dissemination of information. This can be facilitated by physical separation, whereas the separation is even more distinctive in large organizations with broad geographical distances (Dawes and Massey, 2005, p. 1330). Marketing people are usually based in the back office, while sales people are in the field and working in the markets. This physical separation causes tension and poor communication between the two functions (Lorge, 1999, p. 27). Non-frequent communication can be the source of potential problems between marketing and sales functions which are independently specialized in their areas of knowledge. Many companies have a low level of communication between marketing and sales, together with a high level of distrust when it comes to the execution of ideas from the sales function (Cespedes, 1996, p. 25). In contrast, other findings show that marketing's issues in interaction with other functions increase with the frequency the departments interact with each other (Ruekert and Walker, 1987a, p. 14), so the type, structure and frequency of communication needs to be considered carefully. Conflicts may also arise due to mismatch of the information technology used by each function, especially if marketing and sales are using different data sources for discussions and therefore have different viewpoints (Cespedes, 1994, p. 51). Cespedes (1994, p. 51) also finds that sales people often complain about the lack of timely availability of information, while marketing people reply that the information, in which they invested time and money to gather it, is not being used (Moorman et al., 2007, p. 5).
- The fourth conflict factor between marketing and sales interaction is related to issues of 'organizational' nature. The two functions have a horizontal relationship in an organization, which can cause conflicts regarding assigned responsibilities. Marketing and sales interaction may be directed to have the same objectives, however if they have different individual goals that are not aligned another conflict can arise (Ruekert and Walker, 1987a, p. 2). Usually performance measurement and target figures, which differ between marketing and sales, facilitate conflicts. So sales concentrates on quarterly or yearly revenue and customer satisfaction results while marketing's objective is related to profit, market share and moreover also long-term goals such as brand building (Lorge, 1999, p. 28; Cespedes, 1994, p. 52). There has been little research and understanding on how the sales function should be involved in marketing strategies decisions (Viswanathan and Olson, 1992, p. 47), although Strahle et al. (1996, p. 1, p. 16) show that there are often inconsistencies and misalignment between marketers and sales people regarding marketing strategies and the corresponding sales activities. Marketing strategies need to be translated into sales strategies in order to put the marketing strategy into practice; therefore, it is important to involve the sales function already at the point in time when marketing strategies are defined (Zupancic, 2008, p. 30). There needs to be a consistency with regards to the linkage of sales management activities and processes with a company's marketing strategy (Viswanathan and Olson, 1992, p. 56). Homburg et al. (1999, p. 11) show that if the chief executive officer (CEO) personally has a marketing background this will lead to a greater influence of marketing in a company (1999, p. 11). This constellation can also lead to problems at the marketing and sales interface as the marketing function then usually receives more attention from senior management.

As shown, many conflicts between marketing and sales can potentially arise which hinder business performance, therefore, while organizing marketing and sales functions, it is useful to address these issues and avoid them.

6. Potential conflict resolution options

First, with respect to conflict solutions it is useful to look at the marketing and R&D relationship, as this was also discussed as the first potential conflict zone above – on top, some solutions might very well be transferred to the marketing and sales interface. For example in order to solve issues related e.g. to 'distrust' and 'lack of appreciation', Souder (1981) develops a ten-point plan, which focuses on involvement of the two functions and includes open communication on one side and project management on the other side. Involvement relates to increased interaction via committees and alliances between the two, as well as structuring of processes and beha-

viors. Project management needs to be led by an experienced manager, having rather small projects than large ones, who has the capability to arrange cross-functional interaction and communication properly (Souder, 1981, p. 9). Especially cross-functional project teams could be a tool for marketing and sales, at least for bigger projects. Earlier research has investigated the effect of increased integration of the marketing and R&D functions during new product development, but did not separate marketing and sales (Cooper, 1984; Griffin and Hauser, 1996; Gupta et al., 1986). These papers give a number of suggestions on how to integrate R&D and marketing, how to reduce the conflict between the two and how to be successful in new product development. Among the findings is the identification of the most successful product development strategy, which is the 'balanced strategy'. The balanced strategy is characterized by a high connection of market and technological orientation as well as a strong focus on selected projects (Cooper 1984, p. 163). For this strategy a strong linkage and good interaction between the functions is important.

Solutions for conflicts have also been suggested by literature for the four main areas of conflicts between marketing and sales.

- Related to the first constraint which is of *'economic'* nature, it is suggested to overcome e.g. mismatch in pricing decisions by implementing collaborative motivation systems which reduces conflicts around this topic (Moorman et al., 2007, p. 4).
- The second constraint Kotler et al. (2006) mention is the *'cultural'* conflict, as marketing and sales people have different motivations and usually a different way of thinking. However, the key is to build on these varieties and use it for the company (Oliva, 2006, p. 398). In addition, interpersonal skills are important; as such skills enable each function to resolve conflicts with each other (Homburg and Jensen, 2007, p. 126) rather than escalate them to top management or to another meeting. To get a better understanding of the other function and mindset, it would make sense for marketing to go some time to the field with the sales team and, reversely, the sales team to attend some marketing meetings (Lorge, 1999, p. 32; Kotler et al., 2006, p. 74). Dawes and Massey (2005, p. 1340) show quite the opposite, namely that this kind of exchange has no impact on a better interaction between the two. Another possibility to increase understanding for each other is to hire people who have previously worked in sales for marketing positions or vice versa (Lorge, 1999, p. 32). Here also, job rotation can play a role in order to increase collaboration and empathy (Moorman et al., 2007, p. 14) and facilitate alignment (Le Meunier-FitzHugh and Piercy, 2007, p. 952). In addition, job rotation can help build a comprehensive people network throughout the company, which can be utilized in various situations (Rouziès et al., 2005, p. 119). But sometimes job rotation can be seen critically. For example if the exchange program is not properly set-up it will rather impair the positive effect. In addition, a considerable amount of people needs to be part of it so as not to create isolation of the job rotator (Rouziès et al., 2005, p. 119). Job rotation can also be costly and might create confusion among the costumers (Rouziès et al., 2005, p. 119).
- Looking at solutions for *'informational'* constraints, physical proximity might help. Physical proximity instead of separation supports informal information exchange and social integration, which is an important part for interaction (Biemans and Brencic, 2007, p. 269; Piercy, 2006, p. 22) and increased understanding of each other. If co-location is not possible then frequent videoconferences can also support information exchange (Stalk et al., 1992, p. 59). Communication should not only be increased but have a 'bidirectional' character, as this has the most positive effect on information exchange and interaction (Dawes and Massey, 2005, p. 1340). To enhance bidirectional information flow among the functions and decrease conflicts in communication, increased cross-functional integration, more meetings and documented information exchange are needed (Kahn and Mentzer, 1998, p. 54 and p. 58) and it needs to be assured that it is not just 'more' communication but a disciplined one (Kotler et al., 2006, p. 74). This can also enable marketing to prepare effective and useful marketing tools and at the same time help to avoid producing materials the sales force will not use. Sales knowledge about customers and competition needs to be integrated and considered during compilation of marketing materials (Moorman et al., 2007, p. 6). As a general tool to decrease conflicts in communication, and to increase the overall integration of marketing and sales, literature suggests implementing linkage devices, such as cross-functional teams, facilitators and integrators (Le Meunier-FitzHugh and Piercy, 2007, p. 943). Product managers, e.g., can function as facilitators of filtering and disseminating the relevant information to the necessary people (Wood and Tandon, 1994, p. 22). Souder (2007,

p. 604) shows that integrators or process facilitators have the greatest impact on degree of integration and harmony in decision-making at least in marketing and R&D interaction. These facilitated cross-functional meetings are a platform where the objective is to frequently interact and communicate with each other and to establish a common culture and team spirit, which will also help not only to solve informational conflicts, but also cultural constraints (Griffin and Hauser, 1996, p. 209).

- The last issue discussed before is referring to *'organizational'* conflicts. Conflicts in different goal orientations can be solved by implementing cross-functional teams, which focus on common organizational goals rather than individual goals of each function (Maltz and Kohli, 2000, p. 481). Griffin and Hauser (1996, p. 209) identify interdependencies in the reward system as a good mean to motivate marketing and R&D functions to work together, which in addition led to increased company profit. Krohmer et al. (2002, p. 462) confirm this need for an aligned performance evaluation and reward system. A positive effect is also seen having a member in the executive board of a company who jointly heads of marketing and sales, as this can lead to tighter integration of the two functions (Lorge, 1999, p. 28). Overall research has shown that management plays a crucial role in reducing and overcoming interdepartmental conflicts, e.g. by generating a common culture and introducing joint processes (Le Meunier-FitzHugh and Piercy, 2007, p. 216).

To further ensure peaceful coexistence and fruitful co-operation between marketing and sales, one might consider going beyond pure conflict resolution into identifying key processes between marketing and sales in order to access the current status of marketing and sales interaction, as well as the possibilities to improve this interaction. Key processes for marketing and sales interaction are mainly related to planning and execution of marketing plans on the one side and to interaction during new product development on the other.

Kotler et al. (2006) divided the concept of 'marketing planning' into 'strategic planning', which postulates what needs to be done, and 'tactic-operational planning', which complements the plan on how things need to be done (Homburg and Jensen, 2007, p. 88). Most marketing plans contain planning over a period of one year (Kotler et al., 2006, p. 60). Historically, there has been a separation of marketing and sales tasks in the marketing process. The marketing function is responsible for all activities concerning the brand, designing a marketing plan and creating customer awareness (Kotler et al., 2006, p. 77). Sales is traditionally responsible for all operational selling activities and the contact and relationship building with the customer (Kotler et al., 2006, p. 77). Marketing planning has been highlighted as one process where marketing and sales need to work jointly together (Le Meunier-FitzHugh and Piercy, 2007, p. 952).

Kotler et al. (2006, p. 77) have identified processes where marketing and sales are already working together in some companies. The first process is to analyze the marketing environment and gather information about customers and competition. The next step would be the definition of the market offering, i.e. segmenting, targeting and positioning (Kotler and Keller, 2006, p. 24): marketing and sales should work together developing value propositions for the target customers (Kotler et al., 2006, p. 77). In the next process stages more sales involvement is required, as it is related to define the sales process, to fix a competency model needed by the sales force and to define sales goals, incentives and compensation. The development of sales collaterals and tools appear in the next process step. Although Moorman et al. (2007) see only little sales involvement, marketing and sales interaction is quite important to be able to agree on tools that support the sales force and which they will use. Coaching process alignment takes place before marketing and sales managers conduct training for the sales force, which can increase alignment and communication of the jointly defined strategy. After the training has been conducted, the progress of selling needs to be tracked and monitored, as well as the implementation of corrective actions after feedback from the sales force, if applicable. In the sales process Kotler et al. (2006, p. 77) identify the operational phase and solution development phase as two main processes where marketing and sales interaction is a key. In the operational phase, prospecting and qualifying takes place, where marketing supports sales with information about general standards and templates so that sales has tools available to capture further opportunities (Kotler et al., 2006, p. 77). During the solution development phase, marketing supports the sales functions in planning, solving price issues, providing information and material that help them to find solutions for individual customers more easily (Kotler et al., 2006, p. 77). In addition to the key processes identified during planning and implementation of marketing plans, there are also key processes in mar-

keting and sales interaction, which start even before marketing plans are known, that is during the product development stage.

In new product development, the first stage is concept development, which is characterized by collecting new ideas, identifying the most promising opportunities and development of a precise product concept in a cross-functional team as key processes (Kim and Wilemon, 2006, p. 276). Both, marketing and sales can contribute valuable customer and market insights to develop the new product concept and strategies that match the customer's needs (Homburg and Jensen, 2007, p. 134). The next step in the new product development process is the product development stage. According to Ernst (2010, p. 84), the relevance of marketing and sales interaction at this stage is not significant. Nevertheless, as sales selects customers for testing purpose and marketing delivers an in-depth analysis on market acceptance (Ernst et al., 2010, p. 84), it might make sense that they at least exchange information to prepare for the next step, which is already the implementation stage. The implementation stage is the final process of launching the product, trainings and post launch marketing activities (Ernst et al., 2010, p. 84). Here, the key processes are marketing and product introduction, which consist of selling, advertising, distribution, as well as product training for customers to teach them the correct usage (Ernst et al., 2010, p. 90). Another process is to gather customer feedback, which is mainly the task of sales, who then gives feedback to marketing that can make adjustments, if needed (Ernst et al., 2010, p. 85).

Although marketing and sales are strongly interlinked, the interaction is neither completely collaborative nor perfectly harmonious: four potential battlefields can be identified as cultural, economic, informational and organizational factors creating conflicts. Understanding the sources of the conflicts between marketing and sales, managers are able to develop strategies to resolve these. To go one step further and pro-actively prevent conflicts even before their development, managers might consider identifying the current status of marketing and sales interaction, as well as the possibilities to improve this interaction like planning and execution of marketing plans, on the one side, and to interaction during new product development, on the other.

Summary and outlook

Only lately, interaction between marketing and sales department has gained more attention by researchers. As outlined before, marketing and sales have same overall objective which is to increase sales for a company and to satisfy customers needs. Nevertheless, their tasks within an organization are usually not identical and focused on different subjects. For a very long time, there seemed to be a lack of understanding on how the two functions can work together successfully.

The paper at hand first focused on the necessary terminology to analyze the subject matter: marketing is more long-term, strategic and product-oriented, whereas sales is more focused on short-term tasks and on customer needs. Looking at the role of marketing and sales along the corporate value chain, it became obvious that companies will be able to outperform their competitors by excelling in core processes related to cross-functional marketing and sales co-operation to excellence, creating added value as well as customer satisfaction: a shift from the traditional productivity within the value chain towards a perspective on how to increase the quality of customer relationship via better cross-functional teamwork is here the key. The Homburg-Jensen-Krohmer model provides an extensive multi-dimensional framework to assess not only the marketing and sales interfaces, but also the variations in these interfaces across industries and companies. The model clearly identifies five conceptual domains of marketing and sales configurations: information sharing, structural linkages, power, orientation and knowledge; five clusters of varying corporate performance can be identified.

In some cases, conflicts between marketing and sales can be beneficial, e.g. if they result in improved performance (Barclay, 1991, p. 145). Nevertheless, companies need to address problems quickly if dysfunctional interaction harms the company's success in market performance and cost reduction efforts (Kotler et al., 2006, p. 70). Diversity among team members results in better linkages to other external networks and also in having a broader access to information; therefore, the quality of decisions can be increased (Homburg and Jensen, 2007, p. 127) and the number of conflicts can be decreased. Although, some authors (e.g. Lorge, 1999, p. 30) ask for uniting the marketing and sales departments into one single department, the majority of researchers think that the differences and specialized knowledge in the units are beneficial for the company (e.g. Homburg and Jensen, 2007, p. 134). There are areas left for future research which are not being touched upon in this paper. Especially specific measurements to e.g. assess performance of key processes need to be developed in order to get more insights on financial and organizational impact of improved marketing and sales interaction.

Kotler et al. (1996, p. 76) suggested in their research the implementation of a CRO (chief reve-

nue officer), who has the control over both functions, marketing and sales, and the responsibility to implement and achieve common goals. The impact of such a new function has to be evaluated in practice in order to assess its benefits.

Researchers also identified common goals of marketing and sales as one mean to improve collaboration between the two. Further research is needed in order to specify these objectives more clearly.

In addition, some research has already postulated that too much interaction results in a decrease of performance. Therefore, implementation of increased marketing and sales interaction needs to be considered carefully as increased cross-functional involvement is costly due to time and manpower involved in decision processes, and might not make sense in all situations. Here further research is needed to define the optimal amount and kind of processes.

Marketing and sales are key functions to generate revenue for a company, but in economically difficult times, they are usually among the first to face budget restrictions. As they still need to deliver the profit, it can make sense, instead of cutting the budget, to increase it in order to achieve excellent results.

This new postulated strategy, pertaining to the effect on business performance within marketing and sales, can be further investigated, as conflicts regarding budget might affect the marketing and sales interface as well.

Future research should also include key account management into the marketing and sales interface, as this business is gaining more importance in many industries.

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